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IN THE

Supreme Court of the United States

October Term, 1952.

No. 24

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,

Petitioners,

vs.

THE HONORABLE PAUL LEAHY, United States District Judge, and SCHLUMBERGER WELL SURVEYING CORPORATION,

Respondents.

BRIEF FOR PETITIONERS.

Opinions of the Courts Below.

The opinion of the Court of Appeals for the Third Circuit [R. 41] is reported at 193 F. 2d 302. The opinion of the District Court for the District of Delaware [R. 21] from which these proceedings arise is reported *sub nom. Gulf Research & Development Company, et al. v. Schlumberger Well Surveying Corporation*, 98 F. Supp. 198.

The opinion of the District Court for the Southern District of California [R. 11], holding venue in that district improper in these proceedings, is reported at 92 F. Supp. 16. The opinion of the Court of Appeals for the Ninth Circuit [R. 16], denying the petition of petitioners herein for a writ of mandamus or prohibition to

Judge Harrison of the District Court for the Southern District of California to withdraw his order of transfer, is reported at 185 F. 2d 457.

Jurisdiction.

The order of the Court of Appeals for the Third Circuit was entered on December 13, 1951 [R. 48.] The petition for a writ of certiorari was allowed by an order of this Court filed April 21, 1952 [R. 49]. The jurisdiction of this Court is invoked under Title 28, U. S. C., Section 1254(1).

Statutes Involved.

The statutes involved are the following portions of revised Title 28, U. S. C.:

> "§1254. Courts of appeals; certiorari; appeal, certified questions.
>
> Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:
>
> (1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;
>
> * * * * * * * *"

> "§1391. Venue generally.
>
> * * * * * * * *
>
> (c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.
>
> * * * * * * * *"

"§1400. Patents and copyrights.

* * * * * * * *

(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

"§1651. Writs.

(a) The Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law.

* * * * * * * *"

Statement of the Case.

The instant proceedings arise out of an action for patent infringement [R. 7] which was filed by petitioners on March 20, 1950, in the Southern District of California, Central Division, and entitled *Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co. v. Schlumberger Well Surveying Corporation*, Civil Action No. 11,264-BH. On April 10, 1950, the defendant (intervenor in these proceedings and hereafter referred to as "Schlumberger") filed a motion [R. 9] to dismiss the complaint under revised Title 28, U. S. C., Section 1406(a), for want of proper venue. Judge Harrison of the District Court for the Southern District of California, Central Division, did not dismiss the action but ordered [R. 32] the transfer thereof to the United States District Court for the District of Delaware. *Gulf Research & Development Co. et al. v. Schlumberger Well Surveying Corporation* (D. C. S. D. Cal., 1950), 92 F. Supp. 16 [R. 11]. Judge Harrison's order of transfer was not based upon any showing of *forum non conveniens*,

Schlumberger having made no motion to transfer under Section 1404(a) of Title 28, U. S. C. On the contrary, Schlumberger moved to dismiss under Section 1406(a) on the ground that petitioners herein in their complaint had not alleged that Schlumberger had committed acts of infringement and had a regular and established place of business in the Southern District of California and that venue was therefore improper. The sole basis for Judge Harrison's transfer of the case to Delaware was that Schlumberger was incorporated under the laws of that state with the result that proper venue could have been laid in the District of Delaware had the action originally been brought there. No acts of infringement in Delaware are asserted, nor does it appear from the record in the case that the defendant Schlumberger has any place of business or is doing business in the State of Delaware. Moreover, as set forth in the complaint, while plaintiffs Gulf Research & Development Company and Byron Jackson Co. are incorporated under the laws of the State of Delaware, their principal places of business are Pittsburgh, Pennsylvania, and Los Angeles, California, respectively. The third plaintiff, Welex Jet Services, Inc., is incorporated under the laws of the State of Texas and has its principal place of business in Fort Worth, Texas.

There was no issue of fact before Judge Harrison, and his ruling was based solely upon a point of law. Schlumberger admitted that it was doing business in the Southern District of California, and for the purpose of Schlumberger's motion and for the purpose of the instant petition, petitioners admit that Schlumberger had committed no acts of infringement therein.

Judge Harrison's ruling did not involve the exercise of discretion. The only question before him was whether,

under the venue provisions of revised Title 28, U. S. C. (effective September 1, 1948), the statutory definition of corporate residence as including the judicial district in which a corporate defendant is doing business applies to an action for patent infringement. Judge Harrison held that it does not and that these venue provisions require that patent infringement actions against a corporation be brought either in the state of its incorporation or where the corporation has committed acts of infringement and has a regular and established place of business. It is petitioners' contention that, while such was the rule under the old Judicial Code, revised Title 28, U. S. C. changes the venue requirements in patent infringement actions against corporations so that such actions may be brought against a corporation in any district in which it is doing business. Thus, revised Title 28, U. S. C., Section 1400(b) establishes venue requirements in patent infringement actions. It reads:

> "(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

In the case of corporate defendants, revised Title 28, U. S. C., Section 1391(c) provides that a corporation is a resident of any judicial district in which it is doing business. This subsection reads:

> "(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

Petitioners contend that since Schlumberger was concededly doing business in the Southern District of California under Section 1391(c), it resides, for venue purposes, in that district. As a resident of such district, it could properly be sued there for patent infringement under Section 1400(b). Petitioners therefore contend that Judge Harrison's holding that venue was improper was erroneous and accordingly that he had no power to transfer the action to the District of Delaware under Section 1406(a) of revised Title 28, U. S. C.

Following the signing of the order transferring the case to Delaware [R. 32], petitioners filed an application to the Court of Appeals for the Ninth Circuit for leave to file a petition for writ of mandamus or prohibition directing Judge Harrison to withdraw his order for transfer. This application was granted, and on November 20, 1950, that court rendered its opinion denying the petition [R. 16]. *Gulf Research & Development Company et al. v. Harrison* (9 Cir., 1950), 185 F. 2d 457. The ground for such denial was that the case was not such an extraordinary one as to justify issuance of the writ. No consideration whatever was given to the merits of the underlying venue question.

Immediately after the transfer of the case to the United States District Court for the District of Delaware, petitioners moved [R. 20] to transfer the case back to the Southern District of California, on the ground that proper venue was in the Southern District of California, and that the case had been transferred to the District of Delaware improperly and contrary to law. Judge Leahy of the District Court for the District of Delaware denied petitioners' motion to transfer [R. 21] on the ground that for him to review Judge Harrison's earlier ruling

"would be a usurpation of an appellate function" [R. 21, 26]. *Gulf Research & Development Company et al. v. Schlumberger Well Surveying Corporation* (D. C. Del., 1951), 98 F. Supp. 198, 201. Again, no consideration was given to the merits of the underlying venue question or the validity of Judge Harrison's order of transfer.

Petitioners then filed, in the Court of Appeals for the Third Circuit, a petition for a writ of mandamus to Judge Leahy [R. 1], directing him to set aside his order denying petitioners' motion to transfer and to consider petitioners' motion on its merits or, in the alternative, to grant such motion. Schlumberger was granted leave to intervene pursuant to an order dated July 30, 1951 [R. 38]. The Court of Appeals for the Third Circuit in an opinion filed December 13, 1951 [R. 41] denied this petition on the ground that the original transfer order would be reviewable on appeal after final judgment, and therefore an appropriate case for mandamus was not presented. *Gulf Research & Development Company et al. v. Leahy* (3 Cir., 1951), 193 F. 2d 302. The court relied upon the authority of *Ex parte Fahey* (1947), 332 U. S. 258, 91 L. Ed. 2041; *Roche v. Evaporated Milk Assn.* (1943), 319 U. S. 21, 87 L. Ed. 1185; and *U. S. Alkali Export Assn. v. United States* (1945), 325 U. S. 196, 89 L. Ed. 1554.

Thereafter, on ~~April~~ March 12, 1952, petitioners filed in this Court a petition for a writ of certiorari to the Court of Appeals for the Third Circuit, which petition was granted on April 21, 1952 [R. 49]. In said petition it was pointed out that the venue question here involved had frequently arisen in the district courts but that such courts were in hopeless conflict. At the time the petition was filed, the only known decision on the question by any

court of appeals was that by the Seventh Circuit in *C-O-Two Fire Equipment Company v. Barnes* (1952), 194 F. 2d 410. The court held, in a split decision, that the new definition of corporate residence for venue purposes contained in Section 1391(c) of revised Title 28, U. S. C., does not apply to actions for patent infringement under Section 1400(b). On April 21, 1952, this Court granted certiorari in the *C-O-Two* case. *Cardox Corp. v. C-O-Two Fire Equipment Co.* (No. 646, 1952), ... U. S. ....., 96 L. Ed. 579. On April 18, 1952, the Court of Appeals for the Fifth Circuit rendered a decision in *Dalton v. Shakespeare Co.*, 196 F. 2d 469, which is directly contrary to that of the Court of Appeals for the Seventh Circuit in the *C-O-Two* case, with the result that there now exists, in addition to the hopeless confusion on the point in the district courts, a square conflict between the Courts of Appeals for the Fifth and Seventh Circuits. No petition for a writ of certiorari was filed in the *Dalton* case and the mandate for the Court of Appeals for the Fifth Circuit has issued there.

Throughout these proceedings it has been petitioners' contention that venue was properly laid in the Southern District of California. Revised Title 28, U. S. C., Section 1406(a) under which Judge Harrison of the District Court for such District purported to act, empowers the court to transfer an action only when venue is laid in the wrong district. Accordingly, petitioners contend that Judge Harrison was without power to transfer the action from the Southern District of California to the District

of Delaware. Petitioners have unsuccessfully sought a review of Judge Harrison's transfer order by petition for a writ of mandamus or prohibition in the Court of Appeals for the Ninth Circuit; they have moved the retransfer of the action from the District of Delaware by motion in the District Court of such district; and they have petitioned for writ of mandamus in the Court of Appeals for the Third Circuit. Each of these courts has refused to consider the question on its merits. The Delaware District Court held simply that the question was one for an appellate court, and both courts of appeals held that the case was not an appropriate one for mandamus. As conceded by the Court of Appeals for the Third Circuit in its opinion [R. 41], its decision conflicts in principle with the decisions of the Court of Appeals for the Second Circuit in *Foster-Milburn Co., et al. v. Knight* (1950), 181 F. 2d 949, the decision of the Court of Appeals for the Ninth Circuit in *Shapiro v. Bonanza Hotel Co.* (1950), 185 F. 2d 777, and with the decision of the Court of Appeals for the Seventh Circuit in *Fettig Canning Co. v. Steckler* (1951), 188 F. 2d 715, certiorari denied 341 U. S. 951, 95 L. Ed. 1373. In each of these cases, the courts held that an order granting or denying a motion to transfer was reviewable on mandamus where the question presented was the power of the district court to effect the transfer sought. Further, the decision below conflicts with that of the Court of Appeals for the Seventh Circuit in *C-O-Two Fire Equipment Company v. Barnes* (1952), 194 F. 2d 410, certiorari granted .....

U. S. ....., 96 L. Ed. 579, wherein the court issued its writ of mandamus directing either a transfer or a dismissal of an action under Section 1406(a) where the district court had held venue properly laid in a patent infringement action because the defendant corporation was doing business in the district.

Specification of Errors.

Petitioners rely upon and urge as error:

1. The refusal by the court below to rule upon the question: Whether under the venue provisions of revised Title 28, U. S. C., Sections 1391(c) and 1400(b), venue is properly laid against a corporate defendant in a patent infringement action in any district in which the corporation is doing business.

2. The refusal of the court below to order a retransfer to the Southern District of California of the underlying patent infringement action on the ground that the District Court of such district had no power to transfer the action to the District of Delaware.

3. The ruling of the court below upon the question: Where an action has been transferred purportedly under revised Title 28, U. S. C., Section 1406(a) and where it is contended that as a matter of law the district court had no power to make such transfer, is mandamus proper to compel the district court in the transferee district to determine the legality of the transfer?

SUMMARY OF ARGUMENT.

I.

Revised Title 28, U. S. C. Broadens Venue as to Corporate Defendants in Patent Infringement Actions.

A. Under the Plain Language of the Venue Provisions of Revised Title 28, a Corporation May Be Sued for Patent Infringement in Any District in Which It Is Doing Business.

Revised Title 28, U. S. C., Section 1400(b) covers venue in patent infringement actions. It provides that such actions may be brought "where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business." This section differs from Section 109 of the old Judicial Code which it supplants in that Section 1400(b) specifies as one alternative for proper venue the district in which the defendant "resides." Section 109 had specified the district in which the defendant was "an inhabitant." The term "inhabitant" had uniformily been interpreted by judicial decision to mean only the state of incorporation of a corporate defendant. *Bulldog Electric Prod. Co. v. Cole Electric Prod. Co.* (2 Cir. 1943), 134 F. 2d 545, 547. The new term "resides," as applicable to corporations, is, however, defined specifically by statute in a new provision in revised Title 28, U. S. C., Section 1391(c):

> "(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial dis-

trict shall be regarded as the residence of such corporation for venue purposes."

Thus, under new Section 1400(b), a corporation can be sued for patent infringement in any district in which it resides; and under Section 1391(c), a corporation is a resident for venue purposes of any district in which it is doing business. The defendant, Schlumberger, has conceded that it is doing business in the Southern District of California. Under the plain language of the venue provisions of the revised Title 28, it is amenable to venue in such district.

B. Ignoring the Plain Terms of the Statute in the Manner Urged by Schlumberger Renders the Venue Provisions of New Title 28 Inconsistent and Illogical.

Schlumberger urges and Judge Harrison has held in *Gulf Research & Development Company et al. v. Schlumberger Well Surveying Corporation* (D. C. S. D. Cal.), Civil Action No. 11,264-BH [R. 32], that the term "resides" in Section 1400(b) does not mean "doing business" as required by Section 1391(c), but rather means only the state of incorporation of a corporate defendant. Such interpretation is wholly illogical and renders the venue provisions of revised Title 28 inconsistent and confusing.

The venue provisions of revised Title 28 are contained in Chapter 87 which is entitled "District Courts; Venue." In subsection (c) of the first section of this chapter, Section 1391, the residence of a corporate defendant for venue purposes is specifically defined. In the succeeding special venue sections and subsections of Chapter 87, the term "residence" or "resides" is specified as a basis for venue in no less than eleven instances. Thus, Congress,

after generally defining corporate residence for venue purposes in the first section of Chapter 87, has repeatedly used the term throughout the remaining sections of the chapter. Section 1391(c) not only specifies the district in which a corporation may be sued, but also contains an express definition of corporate residence for venue purposes. If this definition is applied to none of the special venue sections in Chapter 87, it is utterly meaningless. To apply the definition to some but not all of the succeeding special venue sections is wholly illogical. Moreover, such an interpretation is contrary to one of the principal underlying purposes in the enactment of revised Title 28, that is, to make Federal laws of procedure clear, uniform and consistent. Thus, a difficult problem of construing the language of the majority of the venue provisions of revised Title 28 would be presented even though such language is expressly and clearly defined in the revised Code itself.

C. There Is No Justification for Treating Corporations Differently in Patent Infringement Actions Than in Other Types of Actions.

In enacting Section 1391(c), Congress recognized that the extended activities of corporations had reached the point at which the rule that corporations could be sued on Federal causes of action only in the state of their incorporation was outmoded. Thus, Congress recognized that many corporations are incorporated in districts remote from their activities, and that to permit suit against them only in such remote districts produced intolerable results. To eliminate the fiction that a corporation existed only in the state of its incorporation and to adopt the rational view that a corporation was present where its activities occurred, Congress enacted Section 1391(c) per-

mitting suit against a corporation in any judicial district in which it is incorporated or licensed to do business or is doing business. The need for broadening venue as to corporations and eliminating the fiction of corporate existence only in the state of incorporation is no different in patent infringement actions than in any other type. There is no basis whatever for any assumption that Congress intended to eliminate the corporate fiction for other types of actions but intended to preserve such fiction for patent infringement actions.

D. The Statute Is Clear and Unambiguous and Should Not Be Rewritten by Speculation as to Some Undisclosed Congressional Intent.

The sole question presented is the meaning of a word in a statute, yet that word is defined in unequivocal terms in that same statute. The clear and unambiguous language specifically defined and then repeatedly used throughout the statute must be taken as the final expression of Congressional intent. To apply a different meaning to the words "residence" or "resides" in certain provisions of sections of Chapter 87 of revised Title 28 than the definition contained in Section 1391(c) is simply to rewrite the statute by judicial legislation. Since the intent of Congress is clear from the language used, and since the application of the statute as written would not lead to absurd or futile results but on the contrary is plainly in accordance with the policy of the legislation as a whole, no question of statutory construction is presented, and it is the duty of the courts to apply the statute as written.

E. Even Were a Question of Construction Presented Here, the Legislative History of Revised Title 28 Wholly Fails to Establish That No Venue Change Was Intended in Patent Infringement Actions.

Schlumberger urges that revised Title 28 is merely a revision and codification of the prior law and that no change in the law is intended unless such change is expressly set forth in the Revisers' Notes following each section of the code. The short answer is that the statute and not the Revisers' Notes states the law. In addition, as evidenced by their subsequent writings, even the Revisers themselves did not contemplate such a rule of construction.

F. The Case of Stonite Products Co. v. Melvin Lloyd Has No Bearing on the Question Here Presented.

Stonite Products Co. v. Melvin Lloyd (1942), 315 U. S. 561, 86 L. Ed. 1026, held that Section 109 of the old Judicial Code was exclusive in so far as venue in patent infringement actions was concerned, and that such venue was not enlarged by the old general venue section (113). The *Stonite* case has no bearing on the question here presented. The case involved two inconsistent venue sections, and the only question presented was which controlled. This Court held that the special patent venue section controlled. In the instant case, two inconsistent sections are not involved. Petitioners concede that Section 1400(b) is the exclusive section governing venue in patent infringement cases. In applying Section 1400(b), however, the question is presented as to the meaning of the term "resides" appearing therein. This question is resolved by reference to Section 1391(c) wherein the term is specifically defined.

G. This Court Should Direct a Retransfer of the Case to the Southern District of California, Thereby Disposing of all Questions Presented by the Instant Petition.

It is petitioners' contention that the underlying patent infringement action between petitioners and Schlumberger was properly brought in the Southern District of California, and that the transfer of such action to the District of Delaware was made without statutory sanction or authority. It was to rectify such error that petitioners filed a petition for a writ of mandamus or prohibition in the Ninth Circuit, moved for retransfer in the District Court for the District of Delaware, filed a petition for a writ of mandamus in the Court of Appeals for the Third Circuit, and finally filed the instant petition for a writ of certiorari. The granting of the writ by this Court brings before it the entire case for examination. It is well settled that on certiorari this Court may rectify any error that may have occurred in the interlocutory proceedings. Accordingly, this Court may direct a retransfer of the case to the Southern District of California, thereby correcting the initial error on the part of the District Court for the Southern District of California and disposing of all questions presented on the instant writ. The direct conflict between the Courts of Appeals for the Fifth and Seventh Circuits and the extensive confusion in the district courts on the venue question presented demonstrates the importance of the question in the administration of justice and the interpretation of revised Title 28, U. S. C. Under such circumstances, a direct ruling upon the venue question by this Court is particularly appropriate.

II.

The Court of Appeals for the Third Circuit Erred in Denying to Issue a Writ of Mandamus.

A. The Court of Appeals Has the Power to Issue the Requested Writ.

The writ requested was in aid of the appellate jurisdiction of the Court of Appeals for the Third Circuit and accordingly the court had the power to issue such writ under Section 1651(a) of revised Title 28, U. S. C.

B. The Court of Appeals Erred in Holding the Case Inappropriate for a Writ of Mandamus.

The granting or denial of a motion to transfer under the new Judicial Code, being interlocutory, is not appealable. Moreover, an erroneous ruling transferring or refusing to transfer will not normally be correctable on appeal after trial, with the result that a litigant may be wholly deprived of his statutory venue privilege by an improper transfer or denial of transfer. Such circumstances fully justify the issuance of a writ of mandamus by an appellate court to review such an order.

C. The Importance of the Question.

An additional reason justifying issuance of a writ of mandamus by the Court of Appeals for the Third Circuit is the extraordinary nature of the question presented. Thus, hopeless confusion in the district courts as to proper venue in patent infringement actions, which confusion is aggravated by the frequency with which the question has

arisen, establishes that the writ was sought not merely as a substitute for appeal in a situation wherein Congress had declared appeal would not lie, but rather was sought under circumstances of an extraordinary nature. The importance of the point presented clearly rendered mandamus appropriate.

D. The Decision of the Court of Appeals Holding Mandamus Inappropriate Is Contrary to the Decisions of This Court and to the Majority of Decisions of the Courts of Appeals of Other Circuits.

Contrary to the decision of the Court of Appeals, this Court has recently exercised its power under revised Title 28, U. S. C., Section 1651(a) to review the power of a district court to transfer an action. *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207; *Kilpatrick v. Texas & P. R. Co.* (1949), 337 U. S. 75, 93 L. Ed. 1223; *United States v. National City Lines* (1949), 337 U. S. 78, 93 L. Ed. 1226. Moreover, the decision of the Court of Appeals is contrary to the great majority of decisions in the other courts of appeals which have ruled on the question.

ARGUMENT.

I.

Revised Title 28, U. S. C. Broadens Venue as to Corporate Defendants in Patent Infringement Actions.

A. Under the Plain Language of the Venue Provisions of Revised Title 28, a Corporation May Be Sued for Patent Infringement in Any District in Which It Is Doing Business.

Section 1400(b) of revised Title 28, U. S. C. establishes venue requirements in patent infringement actions. It provides:

> "§1400. Patents and copyrights.
>
> * * * * * * * *
>
> (b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

This section differs from Section 109 of the old Judicial Code which it supplants in that it provides for venue of a defendant in patent infringement actions in the district in which the defendant *"resides"* rather than, as formerly stated, the district in which the defendant is *"an inhabitant."* The term "inhabitant" had been interpreted uniformly to mean only the state of incorporation where a corporation was involved. *Bulldog Electric Prod. Co. v. Cole Electric Prod. Co.* (2 Cir. 1943), 134 F. 2d 545, 547. New Section 1400(b) therefore provides two bases for proper venue. One of these is that a defendant may be sued in a district wherein the defendant resides.

Revised Title 28 also differs from the old Judicial Code in that it includes a new section relating solely to venue in the case of corporate defendants. Section 1391 provides in part:

> "§1391. Venue generally.
>
> * * * * * * * *
>
> (c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

Thus, two pertinent changes appear in revised Title 28. "Inhabitants," as a basis for venue in patent infringement actions, has been replaced by the term "resides," and corporate residence for venue purposes has been specifically defined as including any district in which a corporation is incorporated or licensed to do business or is doing business.

Despite the clear language used in revised Title 28, the point here involved has been the subject of sharp disagreement in the lower courts, and the decisions are substantially evenly divided as to whether the definition of corporate residence for venue purposes in Section 1391(c) is applicable to patent infringement actions under Section 1400(b). Petitioners submit that for the reasons to be set forth herein, those decisions holding the definition inapplicable are not well reasoned.

The point has been decided by only two Courts of Appeals, those for the Fifth and Seventh Circuits. In *Dalton v. Shakespeare Co.* (5 Cir. 1952), 196 F. 2d 469, it was held that the definition of corporate residence for

venue purposes is applicable to patent infringement actions. In noting the conflicting decisions and the various arguments presented, the court ably summarized the situation at page 472:

> "* * * Indeed it seems to us that the difficulties arise not out of the words the statute used but out of the strained efforts to make them read otherwise than as they do.
>
> * * * * * * * *
>
> "If Congress had intended the definition of Section 1391(c) to be limited to certain types of actions, congress would, we think, have plainly said so. If, on the contrary, congress had intended to provide that corporations are, for venue purposes, residents of those districts in which they are doing business, regardless of the particular wrong with which the corporation may be charged, it, by using the word 'residence' in Section 1391(c) and 'resides' in Section 1400(b), certainly took the right course to do so."

The Court of Appeals for the Seventh Circuit, in the case of *C-O-Two Fire Equipment Co. v. Barnes* (1952), 194 F. 2d 410, held to the contrary, reaching the conclusion that venue in patent infringement actions was not broadened by the new Judicial Code. Unlike the *Dalton* case, however, the decision was not unanimous, and as stated by Judge Lindley, dissenting, at page 416:

> "* * * Inasmuch as defendant is a resident of the Northern District of Illinois, by virtue of the express provisions of Sec. 1391(c), plaintiff had a right, under Sec. 1400(b), to bring the suit in that District. To hold otherwise seems to me to require that we interpolate at the end of Sec. 1391(c) the

phrase 'except in patent infringement cases.' To do so is beyond our function."

It should be noted that the *Dalton* case was decided after the *C-O-Two* case and that the Court of Appeals for the Fifth Circuit expressly repudiated the reasoning of the majority in the latter case.[3]

Eight known district court decisions deal with the question, four of which agree with the *Dalton* case[4] and four of which are contra.[5]

As distinguished from the above case authority, the known commentators who have considered the question are in agreement that the Section 1391(c) definition is applicable to Section 1400(b). Thus, Professor James Wm. Moore, a member of the Revision Staff for the new Judicial Code, in discussing Section 1391(c), states in his

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[3]In *Dalton v. Shakespeare Co.* (5 Cir., 1952), 196 F. 2d 469, at 472, the court stated: "* * * the reliance on the plain language of the statutes evidenced in Judge Farr's [Hall's] opinion [*Farr v. Gratiot et al.* (D. C. S. D. Cal. 1950), 92 F. Supp. 320] and in the dissenting opinion of Judge Lindley, commends itself to us."

[4]*Radio Corporation of America v. Paramount Pictures, Inc., et al.* (D. C., S. D. Cal., 1950), Civil Action No. 8070-WM, unreported; *Farr v. Gratiot, et al.* (D. C., S. D. Cal., 1950), 92 F. Supp. 320; *Sponge Products v. Fuller Brush Co.* (D. C., N. D. Ill., 1951), Civil Action No. 51 C 382, unreported; *Cardox v. C-O-Two* (D. C., N. D. Ill., 1951), Civil Action No. 51 C 1007, unreported, reversed *sub nom. C-O-Two Fire Equipment Company v. Barnes,* No. 10512 (7 Cir., 1952), 194 F. 2d 410.

[5]*Gulf Research & Development Company, et al. v. Schlumberger Well Surveying Corp.* (D. C., S. D. Cal., 1950), 92 F. Supp. 16; *Dalton v. Shakespeare Co.* (D. C., S. D. Fla., 1951), Case No. 1884-Civil Tampa, unreported, reversed (5 Cir., 1952), 196 F. 2d 469; *Aetna Ball & Roller Bearing Co. v. The Federal Bearing Co., Inc.* (D. C., N. D. Ill., 1950), Civil Action No. 50 C 857, unreported; *Nachtman v. Jones & Laughlin Steel Corp.* (D. C., D. of C., 1950), 90 F. Supp. 739.

Commentary on the U. S. Judicial Code (1949), at page 194:

> "This is a provision of general applicability to a corporate defendant, whether the case be one governed by a general venue provision, or by a special venue provision within Title 28, such as § 1400(b) governing a patent infringement action, or by a special venue provision contained in some other title of the United States Code."

To the same effect, see *The Federal Judicial Code of 1948* by Edward L. Barrett, Jr., Associate Professor of Law, School of Jurisprudence, University of California, appearing in the Journal of the State Bar of California, Vol. XXIII, page 324, wherein the author states, at page 333:

> "The express provision that the district in which a corporation is licensed to do business or is doing business 'shall be regarded as the residence of such corporation for venue purposes' should apply in all the special venue statutes."

The above authorities are concerned with the specific question as to whether the definition of corporate residence for venue purposes set forth in Section 1391(c) applies to one of the special venue sections, Section 1400(b) of revised Title 28. The broader question as to whether such definition is applicable to actions, the venue of which is governed by statutes which are separate and distinct from revised Title 28, has also frequently arisen. Even though such application of Section 1391(c) is considerably more extensive than that here urged, since Section 1400(b) appears in the same chapter of the same statute as the Section 1391(c) definition, the decisions of the courts are not in conflict and uniformly hold the definition ap-

plies. The following decisions hold that such definition is applicable to actions brought by merchant seamen to recover damages under the Jones Act (Title 46, U. S. C. Section 688): *Bagner v. Blidberg Rothchild Co.* (D. C. E. D. Pa. 1949), 84 F. Supp. 973; *Bounds v. Streckfus Steamers* (D. C. D. Del. 1950), 89 F. Supp. 242; *Mincy v. Detroit & Cleveland Navigation Co.* (D. C. S. D. N. Y. 1950), 94 F. Supp. 456; and *Phillips v. Pope & Talbot, Inc.* (D. C. S. D. N. Y. 1952), 102 F. Supp. 51.

Similarly, in *Lipp et al. v. National Screen Service Corp* (D. C. E. D. Pa. 1950), 95 F. Supp. 66, it was held that Section 1391(c) of the new Judicial Code is applicable to actions brought under the Clayton Act, for which venue is governed by Title 15, U. S. C., Section 22.

This Court has recently had before it a strikingly similar question in *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207. In that case, the district court had ordered transferred under Section 1404(a) an action brought under the Federal Employers' Liability Act. The question presented was whether revised Title 28 empowered the district court to make such a transfer. This Court had earlier held the doctrine of *forum non conveniens* inapplicable to such cases. *Baltimore & O. R. Co. v. Kepner* (1941), 314 U. S. 44, 86 L. Ed. 28. The identical argument to that urged here was made, that is, that to interpret revised Title 28 as authorizing such a transfer would be to hold that the revision changed the law and Congress intended no such change. Section 1404(a) authorizes the transfer of "any civil action." In holding

this language applicable to cases under the Federal Employers' Liability Act, this Court stated 337 U. S. 58, 93 L. Ed. 1210:

> "The court below relied on the language of §1404(a), *supra*, which it regarded as 'unambiguous, direct, clear.' We agree. The reach of 'any civil action' is unmistakable. The phrase is used without qualification, without hint that some should be excluded. * * *"

Thus, this Court has held that the clear language of revised Title 28 is to be given effect and that it cannot be ignored on the ground that Congress did not intend to change the law. For similar holdings by this Court, see *Kilpatrick v. Texas & P. Ry. Co.* (1949), 337 U. S. 75, 93 L. Ed. 1223, and *United States v. National City Lines* (1949), 337 U. S. 78, 93 L. Ed. 1226. In the latter case, this Court held that revised Title 28 changed the law, and authorized transfer for convenience of actions brought under the antitrust laws.

This Court has refused to speculate as to some undisclosed Congressional intent and to read an exception into the language "any civil action" in Section 1404(a). For the same reason, there is no justification for reading an exception into the definition of corporate residence in Section 1391(c).

Judge Harrison purported to act under Section 1406(a) of revised Title 28. This section provides:

> "(a) The district court of a district in which is filed a case laying venue in the wrong division or dis-

trict shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought."

The statute empowers a district court to transfer a case only where venue is laid in the wrong division or district. *Riley v. Union Pacific R. Co.* (7 Cir. 1949), 177 F. 2d 673, certiorari denied 338 U. S. 911, 94 L. Ed. 561. Under the clear language of the venue provisions of revised Title 28, venue in the instant case was properly laid in the Southern District of California. Accordingly, Judge Harrison had no power to transfer the case to the District of Delaware. Petitioners submit that the case should be remanded to the Southern District of California.

B. Ignoring the Plain Terms of the Statute in the Manner Urged by Schlumberger Renders the Venue Provisions of New Title 28 Inconsistent and Illogical.

In his decision in *Gulf Research & Development Co. et al. v. Schlumberger Well Surveying Corporation* (D. C. S. D. Cal. 1950), 92 F. Supp. 16 [R. 32], Judge Harrison held that the definition of corporate residence set forth in Section 1391(c) is inapplicable to Section 1400(b), and that the term "resides" in Section 1400(b) is limited to mean only the state of incorporation of such a defendant. Such conclusion is wholly illogical and renders the venue provisions of the revised Title 28 conflicting and inconsistent.

Chapter 87 of the new Judicial Code is entitled "DISTRICT COURTS; VENUE." The first section of that chapter, Section 1391, entitled "Venue Generally," reads as follows:

"(a) A civil action wherein jurisdiction is founded only on diversity of citizenship may, except

as otherwise provided by law, be brought only in the judicial district where all plaintiffs or all defendants reside.

"(b) A civil action wherein jurisdiction is not founded solely on diversity of citizenship may be brought only in the judicial district where all defendants reside, except as otherwise provided by law.

"(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

"(d) An alien may be sued in any district."

Section 1391(a) is directed to diversity jurisdiction actions and Section 1391(b) is directed to cases arising under the Federal laws which are not the subject of some special venue section. Unlike paragraphs (a) and (b), Sections 1391(c) and 1391(d) are not concerned with types of actions, but rather with types of defendants. Thus, in the first section of Chapter 87, Congress has, in paragraphs (a) and (b), prescribed the venue requirements as to certain specified types of actions and, in paragraphs (c) and (d), prescribed the venue requirements as to certain types of defendants without regard to the type of action involved. In addition, Congress has specified in paragraph (c) in unequivocal terms that *for venue purposes* the residence of a corporate defendant is "any judicial district in which it is incorporated or licensed to do business or is doing business." Following Section 1391, Chapter 87 contains a number of sections setting forth venue requirements in various types of actions over which the district courts have

jurisdiction. In these sections, the term "residence" or "resides" is frequently used.[6]

Thus, Congress, after generally defining "residence" for venue purposes in the first section of Chapter 87, has repeatedly used the term throughout the remaining sections of the chapter. It is a well established rule of construction that a term used repeatedly throughout a statute should be given the same meaning in each of its appearances. *Pampanga Sugar Mills v. Wenceslao Trinidad* (1929), 279 U. S. 211, 73 L. Ed. 665. To disregard such rule is utterly illogical, particularly where that term is expressly defined in the first section of such a statute.

Obviously, the definition of corporate residence in Section 1391(c) has no application to actions under Section 1391(a) and Section 1391(b) since the first clause of Section 1391(c) states affirmatively the districts in which a corporation may be sued. If the definition is applied to none of the special venue sections in Chapter 87, the definition is itself meaningless and its inclusion in Section 1391(c) superfluous. Accordingly, the only effect the definitive portion of Section 1391(c) can have is to define corporate residence in the succeed-

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[6]"Residence" or "resides" is specified as a basis for venue in Section 1392(a) relating to actions involving multiple defendants in different districts; Section 1393(a) relating to actions involving districts containing more than one division; Section 1393(b) relating to actions involving defendants residing in different divisions of the same district or different districts in the same state; Section 1395(e) relating to proceedings for forfeiture; Section 1396 relating to actions for the collection of internal revenue taxes; Section 1397 relating to interpleader actions; Section 1398 relating to actions to enforce Interstate Commerce Commission's orders; Section 1400(a) relating to actions on copyrights; Section 1400(b) relating to actions for patent infringement; Section 1402(a) relating to actions against the United States; and Section 1402(b) relating to tort claims against the United States.

ing venue sections of Chapter 87. To hold that this definition applies to some but not all of these succeeding sections is not reasonable. Furthermore, a difficult problem of construing the language of the majority of the venue sections of revised Title 28 would result even though such language is expressly and clearly defined in the statute itself. This would not only render the venue provisions of revised Title 28 confusing and inconsistent, but it would defeat the principal objective of the revision to simplify and make uniform Federal procedure. The definitive portion of Section 1391(c) must be given effect. The only logical and consistent effect that it can be given is to define corporate residence for all of the sections of Chapter 87, including that relating to patent infringement, Section 1400(b).

C. There Is No Justification for Treating Corporations Differently in Patent Infringement Actions Than in Other Types of Actions.

The purpose of Section 1391(c) has been succinctly described by two members of the Revision Staff of revised Title 28, Chief Reviser William W. Barron, Department of Justice, and the Hon. Alexander Holtzoff, Judge of the United States District Court for the District of Columbia. Thus, in their treaties entitled *Federal Practice and Procedure* (1950) (West), Vol. 1, Section 80, on pages 153-154, they state:

> "It was long the rule that, for venue purposes, a corporation was a resident only of the state wherein it was incorporated, and that it was not a resident of another state even though it did business or appoint an agent for service of process there.
>
> "It was perhaps inevitable that the expanding economy of the nation and the nation-wide activities

of great corporations should eventually render intolerable a rule which restricted federal suits to the district of incorporation, especially if that district was remote from the scene of corporate activities. And so the time came when by judicial construction the Supreme Court held a corporation suable in any district in which it is licensed to do business or in pursuance of state law has appointed an agent for service of process. Such compliance with state law is deemed a waiver of the privilege to be sued in the state of incorporation and conclusive evidence of consent to be sued elsewhere.

"Congress took the next long step by enacting into law the provision that 'a corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.' * * *"

A third member of the Revision Staff, Professor James Wm. Moore of the Yale Law School, has discussed the section in his *Commentary on the U. S. Judicial Code* (1949) (Bender), wherein he states, at page 178:

"* * * And, what is far more important, a corporate *defendant* may under §1391(c) be a resident of many districts for purposes of applying the above venue rules, whereas formerly a corporation was a resident of only one district." (Emphasis Moore's.)

There is no basis whatever, either in the legislative history of revised Title 28 or in the language used in the statute for assuming that Congress intended to eliminate, as to certain types of actions but not as to patent infringement actions, the fiction that a corporation exists

only in the state in which it is incorporated. The need for broadening venue as to corporations is just the same in patent infringement actions as in any other type. There can be no doubt but that Section 1391(c) changes the law by broadening venue as to corporate defendants. To hold that patent infringement actions are an exception, in the language of Judge Hall in *Farr v. Gratiot et al.* (D. C. S. D. Cal. 1950), 92 F. Supp. 320, at 322:

> "* * * would be to require judicial legislation by adding to the end of Section 1391(c), the phrase, 'except in patent litigation;' * * *"

As stated by the Court of Appeals in *Dalton v. Shakespeare Co.* (5 Cir.), 196 F. 2d 469 at 472:

> "If Congress had intended the definition of Section 1391(c) to be limited to certain types of actions, congress would, we think, have plainly said so. If, on the contrary, congress had intended to provide that corporations are, for venue purposes, residents of those districts in which they are doing business, regardless of the particular wrong with which the corporation may be charged, it, by using the word 'residence' in Section 1391(c) and 'resides' in Section 1400(b), certainly took the right course to do so."

D. The Statute Is Clear and Unambiguous and Should Not Be Rewritten by Speculation as to Some Undisclosed Congressional Intent.

Revised Title 28, U. S. C., became effective September 1, 1948. The whole title was a single enactment. Chapter 87 thereof establishes venue requirements in the district courts. The sole question presented is the meaning of a word in Section 1400(b) of Chapter 87. That word is specifically and unequivocally defined in another

section, 1391(c) of the same chapter. Moreover, as has been previously pointed out, the word is used repeatedly in other sections of Chapter 87. Petitioners submit that this clear and unambiguous language repeatedly used and specifically defined must be taken as the final expression of Congressional intent.

As stated by the Court of Appeals for the Fifth Circuit in *Dalton v. Shakespeare Co.*, 196 F. 2d 469 at 472:

> "* * * Indeed it seems to us that the difficulties arise not out of the words the statute used but out of the strained efforts to make them read otherwise than as they do."

Judge Harrison of the District Court of the Southern District of California held that the definition of corporate residence set forth in Section 1391(c) is inapplicable to Section 1400(b) and that the term "residence" in Section 1400(b) is limited to mean only the state of incorporation of such a defendant. *Gulf Research & Development Co. et al. v. Schlumberger Well Surveying Corporation* (D. C. S. D. Cal. 1950), 92 F. Supp. 16. In support of this decision, Judge Harrison relied upon certain broad statements made by the Revisers of the new Judicial Code. Thus, in his opinion he states, 92 F. Supp. 16, at 19:

> "I believe the Reviser's Notes together with the evidence presented to the Congressional Committee should be the exclusive guide to a proper interpretation and construction of the revised sections. * * *"

In this, petitioners submit, Judge Harrison is completely ignoring the plain language of the statute and the fundamental doctrine that, where a statute is free

from any ambiguity, it is the duty of the courts to apply the statute as written.

No question of statutory construction is here presented. The intent of Congress is clearly expressed in the language of the statute. The application of the statute as written would be neither impossible nor unreasonable and moreover would be plainly in accordance with the policy of the legislation as a whole. Under such circumstances, a court must apply the statute as written. Resort to legislative history or speculation regarding some unexpressed Congressional intent is improper. A strikingly similar situation has recently been presented to this court in *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207 (discussed herein at page 24). In urging that Section 1404(a) was inapplicable to actions brought under the Federal Employers' Liability Act, the petitioner in that case argued that Congress had not intended to change the law by enacting revised Title 28. In support of this position, the petitioner relied upon legislative history. While this court considered such history and found that the same did evidence an intent by Congress to change the law, it did so only after stating, 337 U. S. at 61, 93 L. Ed. at 1211:

> "Petitioner's chief argument proceeds not from one side or the other of the literal boundaries of §1404(a), but from its legislative history. The short answer is that there is no need to refer to the legislative history where the statutory language is clear. 'The plain words and meaning of a statute cannot be overcome by a legislative history which, through strained processes of deduction from events of wholly ambiguous significance, may furnish dubious bases for inference in every direction.' Gemsco, Inc. v. Walling, 324 US 244, 260, 89 L ed 921, 933, 65 S Ct 605 (1945). This canon of construc-

tion has received consistent adherence in our decisions."

The situation presented in *Ex parte Collett* is substantially identical with that presented here. Thus, in both cases, the question was whether a new section of Chapter 87 of revised Title 28 changed the law. In the *Collett* case, as here, despite the clear language employed in the statute, it was urged that resort to legislative history was proper to determine Congressional intent. Just as in the *Collett* case, there is no need here to refer to the legislative history since the statutory language is clear. See also: *United States v. Missouri P. R. Company* (1928), 278 U. S. 269, 277, 278, 73 L. Ed. 322, 376, 377; *United States v. Standard Brewery, Inc.* (1920), 251 U. S. 210, 217, 64 L. Ed. 229, 234; and *Wilbur v. United States ex rel. Vindicator Consolidated G. Min. Co.* (1931), 284 U. S. 231, 237, 76 L. Ed. 261, 264.

To justify departure from the terms of the statute as written and to justify resort to collateral matter in interpreting the statute, Schlumberger has urged throughout these proceedings that if the statute be applied as written ambiguity will result. Reference is made to the fact that if the residence of a corporate defendant includes any district in which it is doing business. the latter clause of Section 1400(b) relating to "a regular and established place of business" is unnecessary. The mere fact that the latter clause of Section 1400(b) is unnecessary in so far as corporate defendants are concerned is obviously no ambiguity. Section 1400(b), being the exclusive patent venue section, of necessity must cover all types of defendants, and this clause finds application in the case of other than corporate defendants as, for example, individuals and partnerships.

E. Even Were a Question of Construction Presented Here, the Legislative History of Revised Title 28 Wholly Fails to Establish That No Venue Change Was Intended in Patent Infringement Actions.

The basis of Judge Harrison's decision is that revised Title 28 is merely a revision and codification of the prior law, that no change in the law will be effected by any section of the code unless such change is expressly set forth in the Revisers' Notes following such section, and that the Revisers' Notes are silent on the point here presented. In support of his position, Judge Harrison relies upon *United States v. Ryder* (1884), 110 U. S. 729, 28 L. Ed. 308, and certain general statements made by those charged with the drafting of the new code. The *Ryder* case establishes no such rule, nor was it the intent of the Revisers of the code that such a rule control its construction. In the *Ryder* case, this Court simply held that, in a revision of the law, no change will be ascribed thereto unless the language of the statute in question is clear to that effect. Thus, the Court states, 110 U. S. at 740, 28 L. Ed. at 311-312:

> "* * * The revisers would not have proposed, nor would Congress have made, such a fundamental change in the law as the extension of this provision to criminal cases, without employing more appropriate terms for that purpose than those which the section contains. It will not be inferred that the Legislature, in revising and consolidating the laws, intended to change their policy, unless such intention be clearly expressed. McDonald v. Hovey (ante, 269)."

This language in no way suggests that silence on the part of the Revisers requires or even justifies departure from the clear language of a statute in its revised form.

Rather, the case recognizes the rule that the expression of intent to change may be found in the terms of the statute itself.

That this was the intention of the Revisers themselves is demonstrated by their discussions of revised Title 28 in subsequent works. The Revision Staff consisted of four men, Chief Reviser William W. Barron, Department of Justice; Frank J. Parker, Assistant United States Attorney for New York; James W. Moore, of the Yale Law School; and the Hon. Alexander Holtzoff, Judge of the United States District Court for the District of Columbia. As set forth on pages 29-30 herein, Barron and Holtzoff in their work *Federal Practice and Procedure* (1950) (West), in Vol. 1, Section 80, on pages 153-154, recognize that Section 1391(c) constitutes a marked change in the law as to corporate venue. Yet the Revisers' Notes are utterly silent respecting any such change. In addition, Professor Moore, in his *Commentary on the U. S. Judicial Code* (1949) (Bender), on page 178, adopts the same view. Moreover, Professor Moore, in his *Commentary*, as set forth on page 23 herein, states that the definition of corporate residence in Section 1391(c) applies to Section 1400(b). Barron and Holtzoff do not discuss the precise point, but obviously agree in principle with Professor Moore. Thus, three of the four Revisers agree that the new Judicial Code changes venue requirements despite the silence of the Revisers' Notes respecting such change. The other Reviser, Mr. Parker, apparently has not gone on record on the point.

In addition, the law was settled that by qualifying to do business in a district a corporation did not thereby become a resident of the district. *Suttle v. Reich Bros. Construction Co.* (1948), 333 U. S. 163, 92 L. Ed. 614.

Yet, that is what Section 1391(c) now provides. Section 1391(c) unequivocally states that for venue purposes a corporation is a resident of a judicial district in which it is licensed to do business, yet nothing whatsoever is stated in the Revisers' Notes respecting this change.

The rule of construction proposed by Schlumberger and adopted by Judge Harrison is utterly unworkable. Its effect would be that the Revisers' Notes, rather than the statute, state the law. Moreover, the law is not even to be determined from express statements made by the Revisers, but rather is to be implied from their silence. While petitioners concede that in a doubtful case the Revisers' Notes are a valid source for construction of the new Judicial Code, such Notes cannot control the express language of the statute. For example, while the Revisers' Notes nowhere mention that Section 1391(c) broadens venue as to corporate defendants generally or that it provides that a corporation now resides in any district in which it is licensed to do business, the section plainly has this effect. To adopt the rule of construction urged by Schlumberger and adopted by Judge Harrison would require the courts to simply ignore Section 1391(c). Congress certainly intended no such result.

The Revisers' Notes represent in part an attempt by the Revision Staff to point out changes effected by the new Code. They are, however, far from complete in this regard, as evidenced by the Notes following Section 1391(c). The mere fact that the Revisers have failed to call attention to a change in the law cannot justify a court in ignoring the plain language of the statute. To hold otherwise would be to hold that the Revision Staff and not Congress makes the law and that the Revisers' Notes and not the statute state the law.

F. The Case of Stonite Products Co. v. Melvin Lloyd Has No Bearing on the Question here Presented.

At the outset of his opinion, Judge Harrison states, 92 F. Supp. at page 17:

> "It is the contention of the plaintiffs that Section 1391(c) of Title 28 U.S.C.A. as revised, changes the rule set forth in Stonite Products Co. v. Melvin Lloyd Co., 315 U.S. 561, 62 S.Ct. 780, 86 L.Ed. 1026, and that Section 1400(b) is no longer the exclusive provision controlling venue in patent infringement proceedings. * * *"

Petitioners make no such contention. The *Stonite* case, which was decided prior to the enactment of revised Title 28 held that the old general venue section (113), which provided that venue against two or more defendants residing in different judicial districts within the same state could be laid in either judicial district, was not applicable to the old special patent venue section (109). This Court simply applied the well established rule that, when a special and a general statute are inconsistent, the special statute controls. A contrary holding would have made the defendant in that case amenable to venue in a district under which it was not amenable to venue under the plain terms of the patent section. The two sections were inconsistent, and the question was presented as to which should be applied.

The question in the instant case is entirely different. Section 1391(c) is in no way inconsistent with Section 1400(b), but merely explains and defines the terms of Section 1400(b) just as it explains and defines the terms of other sections of Chapter 87 of the new Judicial Code. To apply the Section 1391(c) definition of corporate residence to Section 1400(b) is not to hold that

the latter section is in any way modified by the former or that the rule of the *Stonite* case is in any way affected by revised Title 28. The *Stonite* case holds that the special patent venue section is exclusive regarding patent infringement cases. To hold that a corporation in a patent infringement case is amenable to venue in a district if it is "doing business" in the district, is not in any way inconsistent with this notion. Section 1400(b) is the exclusive section governing venue in actions for patent infringement, but in applying Section 1400(b), the question is presented as to the meaning of the word "resides" appearing therein (a term which was not included in old Section 109). This question is, of course, resolved by reference to Section 1391(c) wherein the term is defined.

In addition to the *Stonite* case, Judge Harrison relies upon several recent cases which consider Section 1400(b). These are: *Ackerman v. Hook* (3 Cir. 1950), 183 F. 2d 11; *Arkay Infants Wear, Inc. v. Kline's Inc.* (D. C. W. D. Mo. 1949), 85 F. Supp. 98; and *Fischer v. Karl* (D. C. E. D. N. Y. 1949), 84 F. Supp. 53. Each of these cases involves the same point, namely, whether Section 1392 of revised Title 28 controls venue in patent infringement actions. This point is identical with that raised in *Stonite Products Co. v. Melvin Lloyd Co.*, 315 U. S. 561, 62 S. Ct. 780, 86 L. Ed. 1026, just discussed. Section 1392(a) provides that, where defendants reside in different districts in the same state, venue may be properly laid in any of such districts. These cases hold that revised Title 28 does not change the rule of the *Stonite* case, and that Section 1392(a) is inapplicable to patent infringement actions. Thus, the question involved was whether a general section (1392(a))

controls a special section (1400(b)) where the two are inconsistent. That point is not involved here. The instant case is concerned with Section 1391(c) and the definition of corporate residence for venue purposes. These cases do not consider this question.

G. This Court Should Direct a Retransfer of the Case to the Southern District of California, Thereby Disposing of All Questions Presented by the Instant Petition.

It is petitioners' contention that venue in the patent infringement action between petitioners and Schlumberger was properly laid in the Southern District of California. Section 1406(a) of revised Title 28 empowers a district court to transfer an action only where venue is improperly laid. *Riley v. Union Pacific R. Co.* (7 Cir. 1949), 177 F. 2d 673, certiorari denied 338 U. S. 911, 94 L. Ed. 561. Accordingly, the transfer of the action to the District of Delaware was made without statutory sanction or authority. It was to rectify this error that petitioners filed a petition for writ of mandamus or prohibition in the Ninth Circuit, moved for retransfer in the District Court for the District of Delaware, filed a petition for a writ of mandamus in the Court of Appeals for the Third Circuit, and finally, filed the instant petition for a writ of certiorari.

As previously noted, the courts are in hopeless confusion and disagreement on the venue question here presented. The importance of the question is clear from the large number of times it has arisen. The confusion in the lower courts is strikingly demonstrated in the

Southern District of California, Central Division. In that court, the judges themselves disagree, with the result that whether venue against a corporate defendant in patent infringement actions is proper depends solely upon the particular judge to whom the case is assigned. The situation has been further aggravated by the two decisions on the point rendered by the courts of appeals, which are in direct conflict. *C-O-Two Fire Equipment Co. v. Barnes* (7 Cir. 1952), 194 F. 2d 410; *Dalton v. Shakespeare Co.* (5 Cir. 1952), 196 F. 2d 469.

The importance of the question involved and the confusion and uncertainty in the lower courts make it clear that an early and definitive ruling by the Supreme Court is essential to effectuate the manifest purpose of revised Title 28, U. S. C. in simplifying and making uniform Federal procedure. As previously noted, the situation here presented is strikingly similar to that before this Court in three recent cases. *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207; *Kilpatrick v. Texas & P. Ry. Co.* (1949), 337 U. S. 75, 93 L. Ed. 1223; and *United States v. National City Lines, Inc.* (1949), 337 U. S. 78, 93 L. Ed. 1226. This Court assigned these cases for hearing on motions for leave to file petitions for writs of mandamus, prohibition or certiorari, under revised Title 28, Section 1651(a), directed to the district court in each instance. In the *Collett* case, the Court stated that its reason for assigning the case for hearing was the importance of the question in the administration of justice, noting the conflicting decisions in the district courts, 337 U. S. at 57, 93 L. Ed. at 1208.

As in the instant case, the question before this Court in the *Collett, Kilpatrick* and *National City Lines* cases was the power of a district court to transfer an action under revised Title 28. Similarly, the question here is of great importance in the administration of justice. In accordance with its rulings in the *Collett, Kilpatrick* and *National City Lines* cases, petitioners submit that this Court should rule directly on this question.

While in form the instant petition is for a writ of certiorari directed to the Court of Appeals for the Third Circuit to review an order of that Court denying a petition for a writ of mandamus, there is no question but that, having granted the petition, this Court is empowered to rule directly upon the underlying venue question and to make such disposition of the case as justice may require. Thus, it is well settled that the granting of a writ of certiorari by this Court brings before it the entire case for examination. As stated in *Donovan v. Pennsylvania Co.* (1905), 199 U. S. 279, 286, 50 L. Ed. 192, 198:

> "As this case is before us on writ of certiorari, we can dispose of all questions arising on the record."

See also: *Hamilton-Brown Shoe Co. v. Wolf Bros. & Co.* (1916), 240 U. S. 251, 60 L. Ed. 629; and *Panama R. Co. v. Napier Shipping Co.* (1897), 166 U. S. 280, 284, 41 L. Ed. 1004, 1005.

Accordingly, petitioners respectfully submit that this Court should render a direct ruling upon the venue question presented and direct a retransfer of the patent infringement action between petitioners and Schlumberger to the Southern District of California.

II.

The Court of Appeals for the Third Circuit Erred in Denying to Issue a Writ of Mandamus.

Petitioners have shown that Judge Harrison exceeded his powers in transferring the instant patent infringement action to the District of Delaware. Petitioners attempted to correct this error by immediately moving the District Court for the District of Delaware to transfer the action back to the Southern District of California. This, Judge Leahy of such District Court, declined to do on the ground that for him to review Judge Harrison's earlier ruling would be a "usurpation of an appellate function." *Gulf Research & Development Company et al v. Schlumberger Well Surveying Corporation* (D. C. D. Del. 1951), 98 F. Supp. 198, 201. Petitioners then filed, in the Court of Appeals for the Third Circuit, a petition for a writ of mandamus directing Judge Leahy either to consider petitioners' motion to transfer on its merits, or in the alternative, to effect such transfer. The Court of Appeals denied this petition on the ground that the case was not an appropriate one for the writ sought. Petitioners will show herein that under the circumstances, an appropriate case for mandamus was presented and that the Court of Appeals erred in refusing to grant its writ.

A. The Court of Appeals Has the Power to Issue the Requested Writ.

Section 1651 of Title 28, U. S. C. provides in part:

> "(a) The Supreme Court and all courts established by Act of Congress may issue all writs necessary or appropriate in aid of their respective jurisdictions and agreeable to the usages and principles of law."

The writ requested is appropriate in aid of the appellate jurisdiction of the Court of Appeals for the Third Circuit, and it is in cases precisely of this nature that the writ finds particular application. As stated in *Ex parte Republic of Peru* (1943), 318 U. S. 578 at 583, 87 L. Ed. 1014 at 1017:

> "* * * The historic use of writs of prohibition and mandamus directed by an appellate to an inferior court has been to exert the revisory appellate power over the inferior court. The writs thus afford an expeditious and effective means of confining the inferior court to a lawful exercise of its prescribed jurisdiction, or of compelling it to exercise its authority when it is its duty to do so. * * *"

In *Roche v. Evaporated Milk Assn.* (1943), 319 U. S. 21, 87 L. Ed. 1185, the Court of Appeals for the Ninth Circuit had granted its writ of mandamus directing the district court to reinstate the defendant's plea in abatement in a criminal case. On certiorari, this Court held the case an inappropriate one for the writ. Regarding, however, the power of the Court of Appeals to issue such a writ, the Court stated, 319 U. S. at 25, 87 L. Ed. at 1190:

> "The common law writs, like equitable remedies, ma. be granted or withheld in the sound discretion of the court. (Citing cases.) Hence the question presented on this record is not whether the court below had power to grant the writ but whether in the light of all the circumstances the case was an appropriate one for the exercise of that power. * * *"

Similarly, the question before this Court is not whether the Court of Appeals had the power to grant the writ sought, but whether the case presented was an appropriate one for the exercise of such power.

B. The Court of Appeals Erred in Holding the Case Inappropriate for a Writ of Mandamus.

Sections 1404(a) and 1406(a) of revised Title 28 introduce a novel procedure into our Federal law. These sections empower a district court to transfer a case to another district either where the convenience of the parties and witnesses and the interest of justice requires (§1404(a)), or where venue is improper (§1406(a)). Neither revised Title 28 nor the Federal Rules of Civil Procedure (which were adopted before revised Title 28 became law) specifically provides for review of an order transferring a case under either of these sections.

That such an order is subject to review, however, cannot be doubted, but being interlocutory, it is not appealable. *Jiffy Lubricator Co. v. Stewart-Warner Corporation* (4 Cir. 1949), 177 F. 2d 360; *Ford Motor Co. v. Ryan* (5 Cir. 1950), 182 F. 2d 329; *Paramount Pictures v. Rodney* (3 Cir. 1950), 186 F. 2d 111, cert. den. 340 U. S. 953, 95 L. Ed. 453; *Atlantic Coast Line R. Co. v. Davis* (5 Cir. 1950), 185 F. 2d 766.

This result has recently been discussed by Judge Frank in an opinion, dissenting in part, in *Magnetic Engineering & Mfg. Co. v. Dings* (2 Cir. 1950), 178 F. 2d 866, 870:

> "* * * However, Congress, when it recently substituted a transfer order for an order of dismissal previously used (under the forum non conveniens doctrine) in cases like this, almost surely did not

> plan such a result, i.e., I think that Congress did not have in mind that the transfer order would be interlocutory and non-appealable. I think, therefore, that a sense of justice should prompt us to grant relief, if possible, by way of mandamus. * * *"

The question as to whether an order granting or denying a motion to transfer is reviewable by mandamus has frequently appeared before the courts of appeals. As will be later discussed, the great majority of decisions agree with Judge Frank and hold mandamus appropriate. There is, however, a decided conflict on the question.

While petitioners concede that an appellate court should not exercise its power to issue writs of mandamus merely as substitutes for piecemeal appeals of interlocutory orders and that some "unusual" or "extraordinary" circumstances must be present to justify such a remedy, it is submitted that such circumstances are clearly present here. The Court of Appeals for the Third Circuit ignored these unusual and extraordinary circumstances in holding mandamus inappropriate, and in so doing, erred. In substance, the Court of Appeals simply assumed that Judge Harrison's erroneous transfer order was subject to review on appeal after final judgment. On this assumption the court held that the case was controlled by three recent decisions of this Court: *Roche v. Evaporated Milk Assn.* (1943), 319 U. S. 21, 87 L. Ed. 1185; *Ex parte Fahey* (1947), 332 U. S. 258, 91 L. Ed. 2041; *U. S. Alkali Export Assn. v. United States* (1945), 325 U. S. 196, 89 L. Ed. 1554. Thus, as a basis for its holding, the Court of Appeals states, *Gulf Research & Development Co. et al. v. Leahy,* 193 F. 2d 302, 304 [R. 41, 44]:

> "* * * Accordingly unless the plaintiffs should subsequently waive their objection to the order of

transfer they will be entitled to assert it on appeal and, if the objection is sustained, obtain from this court an order vacating the judgment of the Delaware district court and directing the remand of the action to the Southern District of California. * * *"

The fallacy of this reasoning is that, even though the transfer order was in error and plaintiffs may *assert* their objection to it on appeal, there is no assurance that the error will constitute reversible error. It is well established that to justify a reversal because of error in the lower court, the error must be prejudicial. As stated by this Court in *Carlisle Packing Co. v. Sandanger* (1922), 259 U. S. 255, 259, 66 L. Ed. 927, 930:

> "But mere error, without more, is not enough to upset the judgment, if the record discloses that no injury could have resulted therefrom. West v. Camden, 135 U. S. 507, 521, 34 L. Ed. 254, 258, 10 Sup. Ct. Rep. 838."

See also, *Pugh v. McCormick* (1872), 14 Wall. 361, 20 L. Ed. 789.

Whether and under what circumstances error in granting or denying a transfer order is reversible error, does not appear to have been squarely decided by any of the Federal courts. However, the general rule evolved from state court decisions is set forth in 5 *Corpus Juris Secundum*, Section 1697, page 891:

> "Error in granting or denying a change of venue, if not prejudicial to the complaining party, is not ground for reversal."

Accordingly, unless petitioners are able to establish that they had been prejudiced by the erroneous transfer order, for example, establish that a different result would have

been reached had the case been tried in the Southern District of California rather than the District of Delaware, petitioners will be unable to correct the error on appeal. Such a result would deprive petitioners of their venue privilege expressly provided by statute without any recourse to appellate review. This situation has been recognized by a number of Courts of Appeals as justifying mandamus in cases such as this. Thus, in *Ford Motor Co. v. Ryan* (2 Cir. 1950), 182 F. 2d 329, the district court had denied defendant's motion to transfer an action under Section 1404(a), and the defendant filed a petition for a writ of mandamus. Although denying the petition on the merits, the court held that the case was an appropriate one for its issuance, stating at page 330:

> "* * * Judge Hand and I think this the kind of interlocutory order with which this court can properly deal by way of such a writ, since should petitioners—the defendants—finally lose on the merits below, any error in the interlocutory order would probably be incorrectible on appeal, for petitioners could hardly show that a different result would have been reached had the suit been transferred. * * *"

Again, in *Atlantic Coast Line R. Co. v. Davis* (5 Cir. 1950), 185 F. 2d 766, the district court had transferred an action. The Court of Appeals issued its writ of mandamus to set aside the order of transfer. In considering the propriety of the writ, the Court stated, at 768:

> "At the outset of our consideration of the propriety of the retransfer, we are faced with the question of our jurisdiction either to issue the writ, or to consider the appeal. We think it clearly apparent from the facts stated that this is an extraordinary cause, and that it is of a nature which renders the

likelihood of any fair and effective correction of the action of the Court by subsequent appeal, if this should be determined legally necessary, highly improbable, if not impossible. * * *"

The strong likelihood that an erroneous transfer order will not be correctible on appeal distinguishes the instant case from those of this Court relied upon by the Court of Appeals for the Third Circuit in denying mandamus. *Ex parte Fahey* (1947), 332 U. S. 258, 91 L. Ed. 2041, involved an application for leave to file a writ of mandamus or prohibition, requiring the district court to vacate an order allowing attorneys' fees. In holding mandamus inappropriate in such case, the Court stated, 332 U. S. at 260, 91 L. Ed. at 2043:

"* * * These remedies should be resorted to only where appeal is a clearly inadequate remedy. We are unwilling to utilize them as substitutes for appeals. * * *"

In *Roche v. Evaporated Milk Assn.* (1943), 319 U. S. 21, 87 L. Ed. 1185, the Court of Appeals for the Ninth Circuit had issued a writ of mandamus directing the district court to reinstate the defendant's plea in abatement in a criminal case. On certiorari, this Court held that the writ should not have been issued. The defendant had stressed the burden and expense of requiring it to undergo a trial in advance of an appellate determination of its plea. The Court simply rejected this argument on the ground that the only effect of the writ would be to thwart Congressional policy against piecemeal appeals in criminal cases. In *United States Alkali Export Assn. v. United States* (1945), 325 U. S. 196, 89 L. Ed. 1554, the district court had denied a motion to dismiss an antitrust action for lack of jurisdiction, and the defendant filed a petition

for certiorari under Section 262 of the Judicial Code (now revised Title 28, U. S. C., Sec. 1651(a)). In response to the argument that appellate review of the interlocutory order would avoid the burden and expense of a perhaps unnecessary trial, this Court reaffirmed its earlier rulings, stating, 325 U. S. at 202, 89 L. Ed. at 1560:

> "* * * But such hardship does not necessarily justify resort to certiorari or other of the extraordinary writs as a means of review. * * *"

In the case, however, another factor was present. The defendant urged that under the applicable statutes, initial jurisdiction in such a case had been given to the Federal Trade Commission and that for the district court to accept jurisdiction of the case would be to thwart Congressional policy. The court held that these two factors combined were sufficient to justify the exercise of its power to review the ruling of the district court in advance of final judgment.

These cases fail to support the holding of the Court of Appeals for the Third Circuit. They establish only that mandamus is improper as a mere substitute for an appeal from an interlocutory order and is not justified simply because petitioner will be subjected to an expensive and burdensome trial which might otherwise be avoided by such review. In the *Fahey* and *Roche* cases, remedy by appeal after final judgment was clearly an adequate remedy, and this Court held mandamus inappropriate. On the other hand, in the *Alkali Assn.* case, remedy by appeal after final judgment would not be adequate, and this Court held the writ to be appropriate.

Since the erroneous transfer order in the present case may well be incorrectible on appeal, the instant case

differs from the *Fahey* and *Roche* cases and falls within the *Alkali Assn.* case wherein mandamus was held appropriate.

C. The Importance of the Question.

In addition to the above, the Court of Appeals ignored an additional factor which renders mandamus particularly appropriate in the instant case. The many cases cited on pages 20-24 herein involving the underlying venue question bring into sharp focus the conflict and confusion with which courts and litigants are confronted under the present state of the law. The importance of the question is demonstrated by the frequency with which it has arisen. The administration of justice fully justifies procedure by mandamus. *Ex parte Collett* (1949), 337 U. S. 55, 57, 93 L. Ed. 1207, 1209.

D. The Decision of the Court of Appeals Holding Mandamus Inappropriate Is Contrary to the Decisions of This Court and to the Majority of Decisions of the Courts of Appeals of Other Circuits.

In three recent decisions, this Court has held that mandamus is proper to review an order transferring an action under Section 1404(a) where the question presented was the power of the district court to make such an order. *Ex parte Collett* (1949), 337 U. S. 55, 93 L. Ed. 1207; *Kilpatrick v. Texas R. Co.* (1949), 337 U. S. 75, 93 L. Ed. 1223; *United States v. National City Lines* (1949), 337 U. S. 78, 93 L. Ed. 1226. These cases, which involved the power of a district court to transfer, under revised Title 28, U. S. C., Section 1404(a), actions arising under the Federal Employers' Liability Act and the antitrust laws, have been discussed herein on pages 24-26. This Court assigned these cases for hearing

on motions for leave to file petitions for writs of mandamus and prohibition directed to the district court in the *Collett* case, on petition for mandamus or certiorari directed to the district court in the *Kilpatrick* case, and on motion for leave to file a petition for a writ of certiorari in the *National City Lines* case. The question of procedure is discussed only in the *Collett* case wherein this Court stated that its reason for assigning the case for hearing was the importance of the question in the administration of justice, noting the conflicting decisions in the district courts, 337 U. S. at 57, 93 L. Ed. at 1209. Each of these cases presented a situation analogous to that of the instant case. The question before the Court concerned the power of a district court to transfer a case under revised Title 28. Moreover, as noted in the *Collett* case, conflicting decisions on the question had been rendered by the district courts. Petitioners submit that the decision of the Court of Appeals for the Third Circuit holding mandamus improper in the present case is contrary to these recent decisions of this Court.

Of the large number of cases in the courts of appeals, the overwhelming majority hold, contrary to the Court of Appeals for the Third Circuit in the instant case, that mandamus is proper to review a district court order transferring or refusing to transfer an action. It must be conceded, however, that a conflict exists, and even the cases decided by the same court of appeals are difficult to reconcile. The pertinent decisions of the courts of appeals will be reviewed very briefly herein.

Second Circuit.

Magnetic Engineering & Mfg. Co. v. Dings (1950), 178 F. 2d 866. Here, the Court held that it would not, on mandamus, review the propriety of a transfer order under Section 1404(a) on the ground that the Court of Appeals for the transferee district was the more suitable court for such a review.

Foster-Milburn Co. et al. v. Knight (1950), 181 F. 2d 949. Here, the District Court, having no power so to do, ordered a transfer of an action under Section 1404(a). The Court of Appeals held mandamus proper to review the order.

Ford Motor Co. v. Ryan (1950), 182 F. 2d 329. Here, the Court, reviewing on its merits an order of the District Court declining to transfer an action under Section 1404(a), denied the writ solely on the ground that the defendant had failed to sustain the burden of making out a strong enough case of inconvenience to justify the transfer.

In two recent decisions, *Anthony v. Kaufman* (1951), 193 F. 2d 85, and *Arrowhead Co., Inc. et al. v. The Aimee Lykes et al.* (1951), 193 F. 2d 83, the Second Circuit has clarified its earlier holdings to the effect that, if the order directs a transfer and no more than an abuse of discretion is involved, it will not entertain a petition for a writ of mandamus, and that such a petition must be addressed to the court of appeals for the circuit which includes the transferee district. If, however, the district court lacks power to order the transfer, a writ of mandamus will issue.

Third Circuit.

Paramount Pictures v. Rodney (1950), 186 F. 2d 111, certiorari denied, 95 L. Ed. 453. Here, the District Court had held that it had no power to transfer a particular action under Section 1404(a). The Court of Appeals held that it would, if necessary, issue a writ of mandamus directing the lower court to consider the transfer motion on its merits. Compare the instant case wherein the Third Circuit held mandamus inappropriate.

Fifth Circuit.

Atlantic Coast Line R. Co. v. Davis (1950), 185 F. 2d 766. Here, the District Court had ordered a case transferred, and the Court of Appeals issued its writ of mandamus requiring a withdrawal of such order on the ground that the transfer was not justified under the circumstances present.

Sixth Circuit.

Nicol v. Koscinski (1951), 188 F. 2d 537. Here, the Court considered on its merits in a mandamus proceeding a transfer order under Section 1404(a) by the District Court, denying its writ on the ground that the transfer order was not clearly erroneous.

Seventh Circuit.

Fettig Canning Co. v. Steckler (1951), 188 F. 2d 715, certiorari denied 341 U. S. 951. Here, the District Court for the Eastern District of Missouri had transferred a case to the Southern District of Indiana, and the Court of the latter district had ordered the case retransferred on the ground that the Missouri District Court had no power to order the original transfer. The Court of Appeals reviewed the question on the merits in a mandamus pro-

ceeding, and denied its writ on the ground that retransfer was proper.

C-O-Two Fire Equipment Co. v. Barnes (1952), 194 F. 2d 410. Here, the District Court had denied a motion to transfer under Section 1406(a) on the ground that venue was proper. The Court of Appeals issued its writ of mandamus directing the lower court either to dismiss or transfer the action.

Ninth Circuit.

Gulf Research & Development Co. et al. v. Harrison (1950), 185 F. 2d 457. Here, the District Court ordered the transfer of the instant patent infringement action under Section 1406(a) on the ground that venue was improper. The Court of Appeals held mandamus inappropriate. Compare the later decision of the same Court in *Shapiro v. Bonanza Hotel Co.* (1950), 185 F. 2d 777, wherein the District Court declined to transfer a case under Section 1404(a) on the ground that it had no power so to do. On appeal, the Court held the order not appealable but treated the same as a petition for a writ of mandamus, holding that a proper case for mandamus was present. The Court denied the writ on the merits.

Court of Appeals, District of Columbia.

Wiren v. Laws (1951), 194 F. 2d 873. Here, the District Court ordered transferred a case under Section 1404(a). The Court held that the lower court erred in granting the transfer and that mandamus was the proper remedy.

While the great majority of the above decisions involved orders transferring or refusing to transfer an action under Section 1404(a) of revised Title 28, petitioners submit that the same factors are present where, as here, Section 1406(a) is involved.

The above cases demonstrate that the decision of the Court of Appeals for the Third Circuit, holding mandamus inappropriate, is contrary to the great majority of decisions of the other Courts of Appeals on the general question as to the propriety of mandamus to review orders granting or denying motions to transfer and also on the narrower question as to the propriety of mandamus in transfer cases involving the power of the district court to effect a transfer. Indeed, the only known decisions holding mandamus inappropriate in cases of the latter type are those rendered by the Court of Appeals for the Third and Ninth Circuits in the instant proceedings. On the other hand, each of these courts has also held mandamus proper in such a case.

Conclusion.

It is respectfully submitted that venue in the underlying patent infringement action was properly laid in the Southern District of California, that accordingly Judge Harrison's order transferring the action to the District of Delaware was made without statutory authority, and that the Court of Appeals erred in holding mandamus inappropriate.

Respectfully submitted,

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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1952

No. 24

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,
Petitioners,

v.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING CORPORATION,
Respondents.

BRIEF FOR RESPONDENTS

OPINIONS BELOW

The opinion of the Court of Appeals for the Third Circuit (R. 41) is reported at 193 F. (2d) 302. The opinion of the District Court for the District of Delaware (R. 21) in the proceedings out of which the present case arises is reported *sub nom. Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation,* at 98 F. Supp. 198. The opinion of the District Court for the Southern District of California, Central Division (R. 11),

which was under attack by petitioners in the District Court for the District of Delaware is reported *sub nom. Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation,* at 92 F. Supp. 16. The opinion of the Court of Appeals for the Ninth Circuit (R. 16) denying a writ of mandamus to review the determination of the District Court for the Southern District of California, Central Division, in *Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation, supra,* is reported *sub nom. Gulf Research & Development Co., et al.* v. *Harrison,* at 185 F. (2d) 457.

JURISDICTION

The order of the Court of Appeals for the Third Circuit was entered on December 13, 1951. Petition for writ of certiorari was filed March 12, 1952 and granted April 21, 1952. Jurisdiction rests on Title 28 United States Code, Section 1254(1).

QUESTIONS PRESENTED

Two principal questions are presented:

1. Is it proper for a Court of Appeals to deny a writ of mandamus to review an interlocutory order of a District Judge which is within his judicial power and as to which Congress has provided for review on appeal after final judgment?

2. Did Congress intend that subsection (c) of the general venue provisions, Title 28 United States Code, Section 1391 (1948 Revision), should apply to Title 28 United States Code, Section 1400(b), providing special venue requirements for patent infringement actions, with the result that, as to corporate defendants in patent cases,

(1) a portion of Section 1400(b) is redundant and meaningless, (2) venue is enlarged beyond the plain language of Section 1400(b), and (3) venue restrictions which have existed in the law since the Act of March 3, 1897 are eliminated?

STATUTES INVOLVED

The statutes involved in this case are Title 28 United States Code, Sections 1400(b), 1391 and 1406(a). These three sections of the statute are printed in Appendix A (*infra* p. 50).

STATEMENT OF THE CASE

Petitioners seek review of an order of the Court of Appeals for the Third Circuit denying a petition for a writ of mandamus directed to respondent Hon. Paul Leahy, Chief Judge of the United States District Court for the District of Delaware. Mandamus was sought in the Court below to review an interlocutory order entered by Judge Leahy in an action entitled *Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation,*[1] Civil Action No. 1342 in the United States District Court for the District of Delaware.

Gulf et al.* v. *Schlumberger **is an ordinary civil action** for patent infringement, in which petitioners here are plaintiffs and respondent Schlumberger Well Surveying Corporation[2] is defendant. The complaint (R. 7) was filed on March 20, 1950, in the United States District Court for the Southern District of California, Central Division. On April 10, 1950, Schlumberger moved under the provisions of Title 28 United States Code, Section 1406(a) to dismiss

1. Hereinafter referred to as *Gulf et al.* v. *Schlumberger.*
2. Hereinafter referred to as Schlumberger.

the complaint on the ground that venue as laid in the California District Court did not satisfy the requirements of Title 28 United States Code, Section 1400(b) for patent infringement actions (R. 9). Judge Benjamin Harrison of the United States District Court for the Southern District of California, Central Division, heard the motion and ruled that venue was improper, *Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation* (D.C. S.D. Cal., C.D., 1950), 92 F. Supp. 16 (R. 11). Instead of dismissing the complaint, however, Judge Harrison, under the authority of Section 1406(a), ordered the case transferred to the District of Delaware where Schlumberger was incorporated and where venue was and is proper (R. 32).

Before the transfer order was executed, petitioners applied to and obtained leave of the Court of Appeals for the Ninth Circuit to file a petition for a writ of mandamus or prohibition directed to Judge Harrison to compel him to vacate and set aside this order on the ground that his ruling on venue was in error. This petition was denied November 20, 1950 (R. 16) on the ground that petitioners alleged nothing more than an erroneous application of law which would be reviewable on appeal to the Court of Appeals for the Third Circuit, after final judgment and that the case involved no "extraordinary circumstances," hence was not an appropriate one for mandamus. *Gulf Research & Development Co., et al.* v. *Harrison* (C.A. 9, 1950), 185 F. (2d) 457.

No effort was made at that time by petitioners to have this Court review the decision of the Court of Appeals for the Ninth Circuit on the mandamus issue or to review Judge Harrison's determination in the District Court on the venue issue.

In due course, the files of the *Gulf et al.* v. *Schlumberger* case were transferred to and the action docketed in the Delaware District Court on January 2, 1951. On January 3, 1951 petitioners attempted to have the District Court for the District of Delaware (respondent, Judge Leahy) review Judge Harrison's ruling by filing in the Delaware District Court a motion to retransfer the action back to the California District Court on the grounds that venue in the Southern District of California was proper and the transfer to the Delaware District Court was improper and contrary to law. Judge Leahy denied this motion without passing on the merits of the venue issue. He held that while he had the power to review Judge Harrison's determination of the venue issue, the considerations which give rise to the doctrine of the law of the case, the principles of the rule of comity and considerations for the orderly functioning of the judicial process compelled the conclusion that he should not re-examine this previously litigated and adjudicated issue, *Gulf Research & Development Co., et al.* v. *Schlumberger Well Surveying Corporation* (D.C. D. Del., 1951), 98 F. Supp. 198 (Opinion R. 21, Order R. 27).

Petitioners thereupon filed in the Court of Appeals for the Third Circuit their petition for a writ of mandamus to compel Judge Leahy to set aside his order denying the motion to retransfer the case and to consider petitioners' motion on its merits, or, in the alternative, to direct Judge Leahy to grant the motion (R. 1).

The Court of Appeals for the Third Circuit denied this petition. It held (R. 41) that the case presented by petitioners was not an appropriate one for the extraordinary remedy of mandamus. It pointed out that petitioners' assertion of error in Judge Harrison's determination of the venue issue, which formed the basis of petitioner's

motion in the Delaware District Court, was in the nature of a venue objection which petitioners will be entitled to assert on appeal after final judgment. It concluded that, since such an appeal will be just as adequate as in any other case where an objection to venue is overruled by the trial court, there were no extraordinary circumstances in the petition before it which justified resort to the extraordinary remedy of mandamus, *Gulf Research & Development Co., et al.* v. *Leahy* (C.A. 3, 1951), 193 F. (2d) 302. The order of the Court of Appeals for the Third Circuit (R. 48) denying that petition for a writ of mandamus, is the order in issue here.

Venue is the only issue in the *Gulf et al.* v. *Schlumberger* case thus far litigated in the two and one-half years since this case was commenced. It was raised on April 10, 1950 by Schlumberger's motion (R. 9) under Title 28 United States Code, Section 1406(a) and decided by Judge Harrison of the Southern California District Court on August 2, 1950 (R. 11). In disposing of this issue, Judge Harrison held that venue in patent actions is controlled exclusively by Section 1400(b); that, under the rationale of the decision of this Court in *Stonite Co.* v. *Melvin Lloyd Co.* (1942), 315 U. S. 561 (and contrary to the contentions of petitioners), the general venue provisions of Section 1391, including the provisions of subsection (c) thereof, were not complementary to Section 1400(b); that the revised Judicial Code did not enlarge the venue of patent infringement actions against corporate defendants; that such action would lie against a corporate defendant only in the appropriate district of the state by which such defendant was incorporated, or the district in which such defendant had committed acts of infringement and had a regular and established place of business; that Schlum-

berger, being a corporation of the State of Delaware, is a resident of the District of Delaware within the meaning of Section 1400(b); that while Schlumberger was doing business in the District of California, it had not committed acts of infringement in that District[3]; and that in the *Gulf et al.* v. *Schlumberger* case the Southern District of California satisfied neither of the alternative requirements for venue in patent infringement actions as specified in Section 1400(b).

Judge Harrison's order (R. 32) adopted the alternative available to him under Section 1406(a) and transferred the case to the District of Delaware, the district in which Schlumberger was incorporated, and where, admittedly, venue is proper. This order was entered August 19, 1950.

SUMMARY OF ARGUMENT

The Court of Appeals for the Third Circuit Properly Denied the Petition for a Writ of Mandamus.

The Court of Appeals for the Third Circuit properly denied the extraordinary remedy of a writ of mandamus to petitioners in the present case. The purpose of the writ sought was to obtain review in advance of trial of two interlocutory orders in the *Gulf et al.* v. *Schlumberger* case, a simple patent infringement action. One order—the order of Judge Harrison of the District Court for the Southern District of California, Central Division—transferred the case to the District of Delaware under the provisions of Title 28 United States Code, Section 1406(a) on the ground that venue as laid in the California District

3. Petitioners concede, for the purposes of this case, that Schlumberger has committed no such acts in that district (Petitioners' Brief, p. 4).

Court did not satisfy the requirements of Title 28 United States Code, Section 1400(b) controlling venue in patent cases. The other order—that entered by respondent Judge Leahy—denied petitioners' motion to retransfer the case back to California. This last motion was, in substance, an effort to have respondent Judge Leahy review the venue ruling of Judge Harrison in the *Gulf et al.* v. *Schlumberger* case. Both orders are reviewable by statute on appeal after final judgment.

The controlling decisions of this Court are explicit to the effect that mandamus is an extraordinary remedy reserved for really extraordinary cases; that it may not be used as a substitute for appeal; that it may not be used by a Court of Appeals to review a district court's ruling for an alleged error in the exercise of its judicial power; and that an assertion of an alleged hardship on the part of litigants required to await the statutory appeal does not justify resort to the writ of mandamus as a substitute for such an appeal. Under these controlling decisions, the Court of Appeals for the Third Circuit properly held that mandamus was inappropriate on the petition submitted to it.

The 1948 Revision of the Judicial Code did not Change the Law as to Venue for Patent Infringement Cases.

The venue issue in the *Gulf et al.* v. *Schlumberger* case presents the question as to whether Congress, by the 1948 revision of the Judicial Code, intended to change and broaden the law controlling venue in patent actions against corporate defendants, by having the general provisions of Title 28 United States Code, Section 1391(c) apply to and modify the special patent venue provisions of Section 1400(b), not whether the language used in either section

is ambiguous or unambiguous, given a proper situation for application.

In determining this issue, it is proper for the Court to consider every available aid to ascertain the real intent of Congress. In the present case, the language used in Section 1400(b), the emasculation of that language which necessarily results if Section 1391(c) is applied to Section 1400(b), the spirit and the letter of the ruling by this Court in *Stonite Co.* v. *Melvin Lloyd Co., supra,* the legislative history of both Sections 1391(c) and 1400(b) including the pertinent reviser's notes, and the applicable rules of this Court governing the questions of statutory interpretation in issue here, make it clear beyond doubt that Congress did not intend any such broadening change in the law for venue in patent actions against corporate defendants as would result by having Section 1391(c) apply to and modify Section 1400(b).

ARGUMENT

I. THE COURT OF APPEALS FOR THE THIRD CIRCUIT PROPERLY DENIED THE PETITION FOR A WRIT OF MANDAMUS.

The first question for decision here is whether the Court of Appeals for the Third Circuit erred in holding the writ of mandamus inappropriate to review an alleged error in the decision of the Delaware District Court (respondent, Judge Leahy) denying petitioners' motion in that Court to retransfer the *Gulf et al.* v. *Schlumberger* case back to the Southern District of California.

Respondents concede that the Court of Appeals had the power to issue the writ (Title 28 United States Code, Section 1651 (a)) but contend that under the usages and principles of law controlling the exercise of that power, as established by the applicable decisions of this Court, this case was not an appropriate one for the issuance of the writ of mandamus.

The purpose of the petition in the Court of Appeals for the Third Circuit was to obtain review in advance of trial of Judge Leahy's order denying petitioners' motion to retransfer the *Gulf et al.* v. *Schlumberger* case. Inherent in the petition was an assertion of error in the venue ruling of the California District Court on which was based Judge Harrison's order transferring the case from the Southern District of California to the District of Delaware. Each of these orders was interlocutory. Each was wholly within the judicial powers of the respective judges. The petition to the Court of Appeals for the Third Circuit for a writ of mandamus directed to Judge Leahy (like the earlier petition to the Court of Appeals for the Ninth Circuit for a writ of mandamus directed to Judge Harrison) alleged merely errors in the exercise

of these judicial powers. By Congressional enactment and policy such orders are reviewable by Courts of Appeals, but only on appeal after final judgment (Title 28 United States Code, Section 1291).

The circumstances of this case, viewed in the light of the applicable decisions of this Court, make it clear that mandamus was inappropriate on the petition submitted to the Court of Appeals for the Third Circuit in the present case. Mandamus is an extraordinary remedy reserved for really extraordinary cases. In *Ex Parte Fahey* (1947), 332 U. S. 258, 260, this Court said:

> "Mandamus, prohibition and injunction against judges are drastic and extraordinary remedies. We do not doubt power in a proper case to issue such writs. But they have the unfortunate consequence of making the judge a litigant, obliged to obtain personal counsel or to leave his defense to one of the litigants before him. These remedies should be resorted to only where appeal is a clearly inadequate remedy. We are unwilling to utilize them as substitutes for appeals. As extraordinary remedies, they are reserved for really extraordinary causes."

Mandamus, being an extraordinary remedy, may not be availed of by appellate courts to correct mere errors in the exercise of conceded judicial power by district courts, *De Beers Mines* v. *United States* (1945), 325 U. S. 212, 217. It may not be used as a substitute for an authorized appeal, *Ex Parte Fahey, supra; U. S. Alkali Assn.* v. *United States* (1945), 325 U. S. 196, 203. As this Court said in *Roche* v. *Evaporated Milk Assn.* (1943), 319 U. S. 21, 30:

> "• • • Respondents stress the inconvenience of requiring them to undergo a trial in advance of an

> appellate determination of the challenge now made to the validity of the indictment. We may assume, as they allege, that that trial may be of several months' duration and may be correspondingly costly and inconvenient. But that inconvenience is one which we must take it Congress contemplated in providing that only final judgments should be reviewable. Where the appeal statutes establish the conditions of appellate review, an appellate court cannot rightly exercise its discretion to issue a writ whose only effect would be to avoid those conditions and thwart the Congressional policy against piecemeal appeals in criminal cases. Cobbledick *v.* United States, 309 U. S. 323."

It is only in cases where the appeal provided by statute is clearly inadequate that resort to the remedy of mandamus is proper, *Ex Parte Fahey, supra.* Inadequacy of the remedy provided by appeal is not shown by inconvenience or alleged hardship on litigants required to await the statutory appeal, *Roche* v. *Evaporated Milk Assn., supra; U. S. Alkali Assn.* v. *United States, supra; Ex Parte Park Square Automobile Station* (1917), 244 U. S. 412.

The usages and principles of law controlling the exercise of the power to grant the writ of mandamus are established by the decisions of this Court, of which the cases discussed above are illustrative. These usages and principles are clear and unqualified. Adherence to them required the Court of Appeals for the Third Circuit to deny mandamus in the present case.

This case does not present a situation where mandamus was sought to prevent a district judge from exceeding his judicial powers as suggested by petitioners (Petitioners' Brief, p. 43). In ruling on the propriety of venue for the *Gulf et al.* v. *Schlumberger* case in California, Judge Har-

rison was acting well within his judicial powers; and having ruled that venue was improper in California, Judge Harrison's transfer order was likewise within the powers expressly conferred upon him by Title 28 United States Code, Section 1406(a). His decision on the venue issue, if erroneous, "involved no abuse of judicial power, and any error which it (he) may have committed is reviewable • • • upon appeal appropriately taken from final judgment" *Roche* v. *Evaporated Milk Assn., supra* (319 U. S. at p. 27). In "such cases appellate courts are reluctant to interfere with the decision of a lower court on jurisdictional questions which it was competent to decide and which are reviewable in the regular course of appeal", *Roche* v. *Evaporated Milk Assn., supra* (319 U. S. at p. 26).

Petitioners' argument (Petitioners' Brief, p. 47) that mandamus is proper in the present case because the alleged error in Judge Harrison's ruling on venue may not be reversible error is without merit. That argument is based on the premise that if petitioners are correct in their contention that venue for the *Gulf et al.* v. *Schlumberger* case was proper in California and regardless of whether they are prejudiced by the transfer to the Delaware District, they have some absolute right to a trial by the California rather than the Delaware District Court. The argument must fall with the premise. "No party has a vested right to have his cause tried by one judge rather than by another of equal jurisdiction • • •", *Crosley Corporation* v. *Hazeltine Corporation* (C.C.A. 3, 1941), 122 F. (2d) 925, 930. An appeal in the *Gulf et al.* v. *Schlumberger* case from final judgment will be just as adequate as in any other case where an objection to jurisdiction or venue is overruled by the trial court and, after trial, is

sustained on appeal from final judgment, *Blank* v. *Bitker* (C.C.A. 7, 1943), 135 F. (2d) 962. These considerations make it clear that no extraordinary circumstances were presented to the Court of Appeals for the Third Circuit to warrant resort to the extraordinary remedy of mandamus.

Only two other decisions of Courts of Appeals involving the appropriateness of the writ of mandamus to review an order providing for or denying a transfer under Section 1406(a) are at hand. In one, *Gulf Research & Development Co.* v. *Harrison, supra,* the petitioners here sought review of Judge Harrison's transfer order involved in these proceedings by petition to the Court of Appeals for the Ninth Circuit for a writ of mandamus. The decision in the Ninth Circuit case is in full accord with the decision of the Court of Appeals for the Third Circuit here in issue. The other case is *C-O-Two Fire Equipment Co.* v. *Barnes* (C.A. 7, 1952), 194 F. (2d) 410, now before this Court on writ of certiorari. That case arose out of a patent infringement action entitled *Cardox Corporation* v. *C-O-Two Fire Equipment Co.,* C.A. No. 51 C 1007, in the United States District Court for the Northern District of Illinois, Eastern Division. The defendant, C-O-Two Fire Equipment Co. brought a motion under Section 1406(a) to dismiss the complaint, or, in the alternative, to transfer the case to another district on the ground that venue as laid in the Illinois District was improper. The Illinois District Court (Barnes, J.) denied the motion. Defendant filed its petition in the Court of Appeals for the Seventh Circuit for a writ of mandamus directed to Judge Barnes to set aside his order denying defendant's motion and to dismiss the complaint or to transfer the case as requested by the motion. The Court of Appeals for the Seventh Circuit entertained the

petition and granted the writ. The Court's opinion, however, makes it apparent that the writ was granted principally on the basis of petitioner's assertion and intervenor's concession (respondent did not appear) that mandamus was appropriate.

The cases cited by petitioners (Petitioners' Brief, pp. 51-55) do not support their contentions.

Ex Parte Collett (1949), 337 U. S. 55, *Kilpatrick* v. *Texas & Pacific R. Co.* (1949), 337 U. S. 75, and *United States* v. *National City Lines* (1949), 337 U. S. 78, each involved a motion for leave to file in this Court a petition for a writ of certiorari or mandamus to review an order entered by a district judge under Title 28 United States Code, Section 1404(a) transferring the action involved to a different district for the convenience of the parties or witnesses. In *Ex Parte Collett* and *Kilpatrick* v. *Texas & Pacific R. Co.* the question raised by the petition was whether Section 1404(a) had application to actions under the Federal Employers Liability Act. In the *National City Lines* case the question was whether Section 1404(a) had application to anti-trust suits. The Court assigned each of the three cases for argument on the motion. In each the motion for leave to file the petition for the extraordinary remedy was denied. While the Court stated its views on the merits of the error alleged in each case, the Court expressly stated (in *Ex Parte Collett,* 337 U. S. at p. 72) that it did not decide whether mandamus was appropriate in such cases.

Foster-Milburn Co. v. *Knight* (C.A. 2, 1950), 181 F. (2d) 949, *Shapiro* v. *Bonanza Hotel Co., Inc.* (C.A. 9, 1950), 185 F. (2d) 777, and *Fettig Canning Co.* v. *Steckler* (C.A. 7, 1951), 188 F. (2d) 715, each involved a transfer order under Section 1404(a). In each case, the order in

issue transferred the action to a district in which it could not have been brought in the first place, contrary to the express provisions of Section 1404(a). This is not the case here. The *Gulf et al.* v. *Schlumberger* case admittedly could have been brought in the District of Delaware, the district where Schlumberger is incorporated. With respect to *Foster-Milburn Co.* v. *Knight, supra,* the Court of Appeals for the Ninth Circuit in *Gulf Research & Development Company et al.* v. *Harrison, supra,* footnote 7 (R. 19) said:

> "The alleged error is to be distinguished from that involved in Foster-Milburn Co. *v.* Knight, 2 Cir. 1950, 181 F. 2d 949. The order reviewed in that case purported to transfer the case to a court which would not have jurisdiction over the parties. The error was therefore not merely potentially reversible error on appeal, but would render void any final judgment ultimately obtained, and may be regarded as analogous to a refusal to exercise effectively jurisdiction properly invoked."

Magnetic Engineering & Mfg. Co. v. *Dings Mfg. Co.* (C.A. 2, 1950), 178 F. (2d) 866, *Ford Motor Co.* v. *Ryan* (C.A. 2, 1950), 182 F. (2d) 329, *Paramount Pictures* v. *Rodney* (C.A. 3, 1950), 186 F. (2d) 111, *Atlantic Coastline R. Co.* v. *Davis* (C.A. 5, 1950), 185 F. (2d) 766, *Nicol* v. *Koscinski* (C.A. 6, 1951), 188 F. (2d) 537 and *Wiren* v. *Laws* (C.A. D. of C., 1951), 194 F. (2d) 873, (Petitioners' Brief pp. 52-54) likewise have to do with situations where the district court transferred or refused to transfer an action under the provisions of Title 28 United States Code, Section 1404(a) to suit the conveniences of the parties and witnesses as to the place of trial. Each involved an "issue which in its nature must be reviewed before trial, if at all", *Pennsylvania Turnpike Commission* v. *Welsh* (C.A.

3, 1951), 188 F. (2d) 447, 449 footnote 2. These cases are wholly irrelevant to the questions presented here.

Arrowhead Co. v. *The Aimee Lykes* (C.A. 2, 1951), 193 F. (2d) 83, and *Anthony* v. *Kaufman* (C.A. 2, 1951), 193 F. (2d) 85, if in point at all, support respondents. These cases also relate to transfer orders under Section 1404(a). In each the Court held that mandamus would not lie to review such an order where the error alleged involved merely an abuse of discretion.

In the present case, petitioners do not assert an abuse of discretion by Judge Harrison. They suggest that Judge Harrison was without power to issue the transfer order in question, but, in fact, allege nothing more than an asserted error in the application of law—Sections 1391(c) and 1400(b)—to the case in issue (*supra,* pp. 12-13). Mandamus is not available to correct mere errors in a district court's exercise of judicial powers conferred on it by statute, *De Beers Mines* v. *United States, supra.*

In the circumstances of this case, the pertinent decisions of this Court make it clear that the Court of Appeals for the Third Circuit properly denied the extraordinary writ of mandamus to review the decision of respondent, Judge Leahy, denying petitioners' motion to retransfer the *Gulf et al.* v. *Schlumberger* case back to the California District Court. If petitioners were entitled to review of Judge Harrison's ruling on venue it was not by motion in Judge Leahy's court. By the same token, the writ of mandamus was inappropriate to review Judge Leahy's decision.

II. THE 1948 REVISION OF THE JUDICIAL CODE DID NOT CHANGE THE LAW AS TO VENUE FOR PATENT INFRINGEMENT CASES.

The question for decision on this issue is whether the 1948 revision of the Judicial Code, Act of June 25, 1948, c. 646, 62 Stat. 869-984, changed the law and enlarged the permissible venue for patent infringement actions against corporate as distinguished from individual and partnership defendants[4]. On this question the Courts of Appeals for the Seventh and Fifth Circuits are in direct conflict, *C-O-Two Fire Equipment Co.* v. *Barnes, supra* (now before this Court on writ of certiorari), *Dalton* v. *Shakespeare* (C.A. 5, 1952), 196 F. (2d) 469 (decided since the petition for writ of certiorari in the present case was granted).

In the present proceedings the question stems from the decision of Judge Harrison of the United States District Court for the Southern District of California, Central Division, in *Gulf Research & Development Co. et al.* v. *Schlumberger Well Surveying Corporation* (R. 11) *supra.*

In that case, Judge Harrison held that the venue requirements for patent infringement actions were the same after the 1948 revision of the Judicial Code as they had been before; that Title 28 United States Code, Section 1400(b) was the exclusive provision controlling venue in patent infringement actions; that Section 1400(b) was not to be read in the light of or supplemented by the general provisions of Section 1391(c); that, properly construed, Section 1400(b) limited venue in a patent action against a corporate defendant to the district in which the defendant corporation was incorporated or to a district in which

4. Since respondent, Judge Leahy, did not express an opinion on this issue, this section of this brief will be limited to the views of respondent, Schlumberger Well Surveying Corporation.

such defendant had committed acts of infringement and had a regular and established place of business; and that since the California District satisfied neither of these alternative venue requirements of Section 1400(b), venue in *Gulf et al.* v. *Schlumberger* was improperly laid in the California District.

Petitioners argued before Judge Harrison, as they argue here, that the 1948 revision of the Judicial Code changed the law and enlarged the venue for patent actions in so far as concerns corporate defendants. Their contention is that Section 1400(b) should be read in the light of and supplemented by the provisions of Section 1391(c), one of the general provisions relating to venue for ordinary actions.

Section 1400(b) provides:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

Section 1391 is made up of four subsections. Subsection (a) specifies venue requirements for diversity of citizenship cases. Subsection (b) provides for the venue of actions in which jurisdiction is not founded on diversity of citizenship and in which venue is not otherwise provided for by law. Subsection (c) provides:

> "A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

Subsection (d) relates to actions against aliens.

Petitioners argue that if the provisions of Section 1391(c) are read as applying to Section 1400(b), venue

in a patent action against a corporate defendant may be laid in any district in which defendant is doing business or is licensed to do business as well as in the districts specified in Section 1400(b). Stated in other words, petitioners argue that by the 1948 revision of the Judicial Code, Congress intended to give patent owners, in so far as concerns suits against corporate defendants, a much wider choice in the selection of a forum in which to put their patent to the test of litigation.

These contentions are wholly without substance. They ignore the intent of Congress as clearly expressed in the language actually used in Section 1400(b). They do violence to that language in that they would render meaningless or redundant as to corporate defendants the proviso therein for suit in the district in which the defendant has committed acts of infringement and has a regular and established place of business. If petitioners' arguments are accepted, any corporation having "a regular and established place of business" in a district, would be a resident of that district and suable there as a "resident" regardless of whether it had committed acts of infringement in the district. As Judge Tamm said in *Nachtman* v. *Jones & Laughlin Steel Corporation* (D. C. D. of C., 1950), 90 F. Supp. 739, in rejecting similar contentions in that case:

> "This, in effect, would result in §1400(b) being interpreted as follows: 'Any civil action for patent infringement may be brought in any judicial district where the defendant is incorporated or licensed to do business or is doing business, or where the defendant has committed acts of infringement and has a regular and established place of business,' thereby completely nullifying the specific venue statute relative to patent infringement suits."

See also *C-O-Two Fire Equipment Co.*, v. *Barnes, supra,* 194 F. (2d) at p. 413.

In the *Gulf et al.* v. *Schlumberger* case Judge Harrison expressly rejected petitioners' contentions with the statement (R. p. 15):

> "• • • I hold that Section 1391(c) is not complementary to Section 1400(b); that the word 'resides' in Section 1400(b) means the same as the word 'inhabitant' in the former Section 109, and that the interpretation placed upon said former Section 109 applies to its revision as set forth in the revised Section 1400(b). I believe the Stonite case is still the law and the fact that the defendant committed no acts of infringement in this district indicates to me that the venue is improper."

Judge Harrison's ruling on this issue is well supported. For over fifty years prior to the 1948 revision of the Judicial Code the statutes controlling venue in patent cases had limited such actions to the district of which the defendant was a resident or an inhabitant, or the district in which he had a regular and established place of business and had committed acts of infringement. Corporate defendants, in such cases have been held to be residents or inhabitants only of the state by which they were created. These provisions were held to have conferred upon defendants in patent cases a privilege restricting the places in which suits could be maintained against them. *General Elec. Co.* v. *Marvel Co.* (1932), 287 U. S. 430, 435; *Stonite Co.* v. *Melvin Lloyd Co., supra.* No purpose is discernible in the revision of the Judicial Code to eliminate or minimize this privilege or the protection which it afforded.

A. The Law as it Existed From 1897 to 1948 Limited Patent Actions Against Corporate Defendants to the District of the State of Incorporation or the District in which such Defendant had Committed Acts of Infringement and had a Regular and Established Place of Business.

Prior to 1897, venue in patent cases was controlled by the general venue provisions of the Act of March 3, 1875, c. 137, 18 Stat. 470, which permitted such suits to be brought wherever the defendant was "found". Special venue provisions for patent cases originated with the Act of March 3, 1897, c. 395, 29 Stat. 695, which provided that

> "* * * in suits brought for the infringement of letters patent the circuit courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business."

This Act was adopted to define exact limits for venue in patent cases. Its purpose was to protect defendants from the abuses engendered in such cases by the broad provisions of the Act of 1875 (*Bowers* v. *Atlantic, G. & P. Co.* (C.C. S.D. N.Y., 1900), 104 Fed. 887, 890, 891, *Stonite Co.* v. *Melvin Lloyd Co., supra,* 315 U. S. at pp. 564, 565).

The Act of 1897 was substantially reenacted by Congress by the Act of March 3, 1911, c. 231, 36 Stat. 1100, as Section 48 of the Judicial Code of 1911. This section of the 1911 Act provided:

> "In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a

person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business."

During the fifty-one years subsequent to the Act of 1897 and prior to the 1948 revision of the Judicial Code, the courts were in complete agreement in limiting the venue in patent cases against corporate defendants to the district in which the defendant was incorporated or the district in which it had a place of business and had committed acts of infringement. See *Bowers* v. *Atlantic, G. & P. Co., supra, Bulldog Electric Prod. Co.* v. *Cole Electric Prod. Co.* (C.C.A. 2, 1943), 134 F. (2d) 545, 547, *Blaw-Knox Co.* v. *Lederle* (C.C.A. 6, 1945), 151 F. (2d) 973, and *Motoshaver, Inc.* v. *Schick Dry Shaver* (C.C.A. 9, 1938), 100 F. (2d) 236. It was equally well settled that the special venue provisions for patent cases were not to be enlarged or supplemented by the broader language appearing in the general venue sections. *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Nothing in the 1948 revision of the Code indicates an intent by Congress to change this settled law.

B. The Rationale of the *Stonite* Case Is Controlling Here.

What petitioners are attempting to do in this case is to use the general venue provisions of Section 1391(c), as a means for enlarging and supplementing the special venue provisions for patent cases, in precisely the same way that the plaintiff in *Ackerman* v. *Hook* (C.A. 3, 1950), 183 F. (2d) 11, tried to use Section 1392(a) for that purpose, and the plaintiff in *Stonite Co.* v. *Melvin Lloyd Co., supra,* tried to use Section 52 of the 1911 Judicial Code (Title 28 United States Code, Section 113, 1940 Edition) to enlarge and supplement the patent venue provisions of Section 48 of that Code.

Old Section 52 provided:

> "* * * When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there are two or more defendants, residing in different districts of the State, it may be brought in either district, * * *."

Section 1392(a) provides as follows:

> "Any civil action, not of a local nature, against defendants residing in different districts in the same State, may be brought in any of such districts."

Sections 1391, 1392 and 1393, are general venue provisions[5]. Like sections 51 and 52 of the Judicial Code of 1911, they are applicable to "ordinary actions" (*Ex parte Collett, supra*). The controlling law as to the relationship between the statutory provisions for venue in patent cases and general venue provisions, such as revised Sections 1391-1393, is succinctly stated in *Stonite Co.* v. *Melvin Lloyd Co., supra.* That case (decided prior to the Code revision) involved an attempt to supplement Section 48 of the 1911 Judicial Code controlling venue in patent cases by resort to the general provisions of Section 52 of the same Code which appeared in the statute as an exception to Section 51, the general venue provision controlling venue in diversity of citizenship cases and other cases not expressly provided for by law. Plaintiffs' purpose in this regard was to support a patent action in the Eastern District of Pennsylvania, against two Pennsylvania corpo-

5. Section 1393 is similar to Section 1392 in that it provides for cases where there are several defendants residing in different divisions of the same district.

rations, one an inhabitant of the Eastern District, the other of the Western District of Pennsylvania. In completely rejecting these contentions, the Court said (at p. 561):

> "The only question presented for our determination is whether §48 of the Judicial Code (28 U. S. C. §109) is the sole provision governing the venue of patent infringement litigation, or whether that section is supplemented by §52 of the Judicial Code (28 U. S. C. §113).
>
> • • •
>
> "We hold that §48 is the exclusive provision controlling venue in patent infringement proceedings.
>
> • • •
>
> "• • • §52 appears in the Judicial Code as an exception to §51, the general venue provision derived from the Act of 1887, as amended. See Camp *v.* Gress, 250 U. S. 308, 315. *Section 51 is, of course, not applicable to patent infringement proceedings.* General Electric Co. *v.* Marvel Co., supra. Since §48 is wholly independent of §51, there is an element of incongruity in attempting to supplement §48 by resort to §52, an exception to the provisions of §51. Cf. Connecticut Fire Ins. Co. *v.* Lake Transfer Corp., 74 F. 2d 258." (Emphasis added.)

The *Stonite* case is still the law (*Ackerman* v. *Hook, supra*). Under its rationale, Section 1400(b) of the revised Judicial Code is wholly independent of the "general venue" provisions of Sections 1391-1393 just as old Section 48 of the 1911 Judicial Code was held to be independent of old Sections 51 and 52 of the same Code. To the same effect see *Rava* v. *Westinghouse Electric Corporation* (D. C. S. D. N. Y., 1950), 90 F. Supp. 707, *Arkay Infants Wear* v. *Kline's, Inc.* (D. C. W. D. Mo., W. D., 1949), 85

F. Supp. 98, and *Fischer* v. *Karl* (D.C. E.D. N. Y., 1949), 84 F. Supp. 53.

There is nothing in the language used in Section 1391(c) that indicates an intent by Congress that its provisions should apply where Section 1392(a) or old Section 52 admittedly would not.

The language used in Section 1392(a) as well as that used in old Section 52 is as broad as that used in Section 1391(c). However, all three are general venue provisions. Under the rationale of the *Stonite* case Section 1391 (c) can not be used to enlarge the venue for patent cases.

The term "resides" in Section 1400(b) and as applied to corporate defendants has a definite and precise meaning, viz., the district of the state of incorporation. (See *Shaw* v. *Quincy Mining Company* (1892), 145 U. S. 444, 450.) Resort to Section 1391(c) to give a different meaning to "resides" in 1400(b) would necessarily result in modification of Section 1400(b) by Section 1391(c). Section 1400(b), like old Section 48, was designed to "define the exact jurisdiction of the federal courts in actions to enforce patent rights". That purpose in and of itself indicates that Congress did not intend the special venue section "to dovetail with the general provisions relating to the venue of civil suits, but rather that it alone should control venue in patent infringement proceedings." *Stonite Co.* v. *Melvin Lloyd Co., supra.*

In this regard, petitioners argue (Petitioners' Brief, pp. 26-29) that unless section 1391(c) is held to apply to all of the special venue provisions of Title 28 United States Code, Chapter 87, including section 1400(b), the whole chapter is rendered inconsistent and conflicting.

This argument is without substance. Whether section 1391(c) has application to one or another of the other special venue provisions found in the statutes may be

determined in each instance and in an appropriate case by ascertaining the intent of Congress as evidenced by the language, purpose and legislative history of the particular special venue section in question. For example, in *Lipp* v. *National Screen Service Corp.* (D.C. E.D. Pa., 1950) 95 F. Supp. 66, the Court held that the special venue provisions for anti-trust actions, Title 15 United States Code, Section 22 (Act of Oct. 15, 1914, c. 323 §12, 38 Stat. 736), were supplementary to and not restrictive of the general venue provisions of the Code. It held, therefore, that Section 1391(c) applied to such cases. That case is not controlling here. In the present case the intent of Congress to confine litigants in patent actions to the special venue provisions succinctly and specifically set forth in Section 1400(b) is clearly evidenced by the language, purpose and legislative history of that section.

C. The Issue Presented is One of Congressional Intent.

In the *Gulf et al.* v. *Schlumberger* case Judge Harrison held that the available evidence showed clearly that Congress did not intend Section 1391(c) to apply to cases coming within Section 1400(b). His conclusions as to Congressional intent in this regard were based on the language used in the two sections under consideration, the legislative history of the two sections including the pertinent Reviser's Notes, and the effect which petitioners' contentions would have on each section and on the law respecting patent venue. These considerations compelled Judge Harrison's ruling.

The present controversy does not center on the ambiguity or lack of ambiguity in the language used in Section 1391(c) or Section 1400(b). The question here is whether Congress intended Section 1391(c) to apply to Section 1400(b) and thus (1) change the law providing for venue in patent cases as it had existed for over half a century

prior to the 1948 revision; (2) materially broaden the venue requirements for such cases to the extent that they involve corporate defendants; and (3) render ambiguous or meaningless certain of the otherwise unambiguous provisions of Section 1400(b).

As to this issue—whether Section 1391(c) was intended to apply to Section 1400(b)—interpretation is required, just as interpretation was required in the *Stonite* case to determine whether Congress intended Section 52 of the 1911 Judicial Code to apply to and supplement Section 48 of that Code. In each instance, the language used in the general venue provisions (old Section 52 in the *Stonite* case and Section 1391(c) in the present case) was unambiguous, given a proper situation for application. In each instance, the language used was itself broad enough to encompass patent cases. In each instance the question in issue was whether Congress intended the general section to apply to and supplement the special patent venue section. In the *Stonite* case the Court looked to the legislative history of the sections in issue there and concluded that Congress had not intended old Section 48, controlling special venue for patent cases, to be supplemented by the general venue provisions of old Section 52. The same rationale applies here.

D. The Court May and Should Look to Explanatory Legislative History to Determine Whether Congress Intended Section 1391(c) to Apply to and Supplement Section 1400(b).

In the interpretation of statutes such as are involved in this case "the function of the courts is * * * to construe the language so as to give effect to the intent of Congress. There is no invariable rule for the discovery

of that intention" *United States* v. *American Trucking Associations* (1940), 310 U. S. 534, 542. In the present case the legislative history of Sections 1391(c) and 1400(b) makes it clear beyond doubt that Congress did not intend to change the venue privileges for corporate defendants in patent actions by having Section 1391(c) apply to and supplement Section 1400(b). On this issue the "clear and unambiguous" language of Section 1391(c) is silent (cf. Petitioners' Brief, p. 32). The intent of Congress in this regard must be determined from the language of Section 1400(b) and the explanatory legislative history.

There is no rule which forbids resort to explanatory legislative history for this purpose. As this Court said in *Harrison* v. *Northern Trust Co.* (1943), 317 U. S. 476, 479:

> "But words are inexact tools at best, and for that reason there is wisely no rule of law forbidding resort to explanatory legislative history no matter how 'clear the words may appear on "superficial examination."' United States *v.* American Trucking Assns., 310 U. S. 534, 543-44."

And in *United States* v. *American Trucking Associations, supra,* the Court said (310 U. S. at pp. 542-543):

> "There is, of course, no more persuasive evidence of the purpose of a statute than the words by which the legislature undertook to give expression to its wishes. Often these words are sufficient in and of themselves to determine the purpose of the legislation. In such cases we have followed their plain meaning. When that meaning has led to absurd or futile results, however, this Court has looked beyond the words to the purpose of the act. Frequently, however, even when the plain meaning did

> not produce absurd results but merely an unreasonable one '*plainly at variance with the policy of the legislation as a whole*' this Court has followed that purpose, rather than the literal words. When aid to construction of the meaning of words, as used in the statute, is available, there certainly can be no 'rule of law' which forbids its use, however clear the words may appear on 'superficial examination'. * * *'' (Emphasis added.)

Here there can be no doubt but that Section 1391(c), applied as petitioners urge, would produce an absurd result, plainly at variance with the policy of the statute. It would work a material change in the law where it is obvious from Section 1400(b) that none was intended. It would render meaningless as applied to corporations a portion of Section 1400(b) which was plainly intended to apply to corporations, thus defeating one of the expressed purposes of the legislation—the elimination of such overlapping and conflicting provisions. (See reviser Barron's statement before the House Sub-Committee, *infra* p. 40). These factors require the conclusion that on the face of the statute itself, it is, to say the least, doubtful that Congress intended, by the revision, to change the venue for patent infringement actions against corporate defendants. Thus, this case comes squarely within the language used by this Court in *United States* v. *Mo. Pac. R. Co.* (1929), 278 U. S. 269, 278, where it was said:

> "* * * Where doubts exist and construction is permissible, reports of the committees of Congress and statements by those in charge of the measure and other like extraneous matter may be taken into consideration to aid in the ascertainment of the true legislative intent."

The cases relied upon by petitioners (Petitioners' Brief, pp. 33-34) do not support the argument that in the present case the Court may not look to the legislative history of Sections 1391(c) and 1400(b) to determine whether Congress intended the former to apply to the latter, thus to broaden venue in patent actions against corporate defendants. In this regard, *Ex Parte Collett, supra,* is cited as authority for the proposition that "there is no need to refer to the legislative history where the statutory language is clear." That case, however, is not in point here. There the Court was considering two sections of the statutes which were fully compatible—one of which bestowed venue while the other provided for the transfer of venue properly laid. The Court could and did give effect to both provisions in accordance with the language of each because they were not inconsistent and neither abridged any right contained in the other. In the present case both sections in issue relate to venue and they cannot both be applied without emasculation of one portion of Section 1400(b). In these circumstances, the rule expressed in *Harrison* v. *Northern Trust Co., supra,* and *United States* v. *American Trucking Ass'ns, supra,* and applied in *Stonite Co.* v. *Melvin Lloyd Co., supra,* requires the Court to look to the legislative history to determine the intent of Congress. It should be noted, moreover, that in *Ex Parte Collett* the Court did examine extensively the legislative history of Section 1404(a) there in issue and concluded that such history fully supported the conclusion ultimately adopted. And in *United States* v. *Nat. City Lines, supra,* the Court, in determining the breadth of application for Section 1404(a), which was in issue in *Ex Parte Collett,* said:

> "• • • The reviser's notes are so obviously authoritative in perceiving the meaning of the Code

that the Government itself, in discussing a section other than §1404(a), refers to them in its brief in this case. And we have already had occasion to look to the reviser's notes. Stainback *v.* Mo Hock Ke Lok Po, 336 U. S. 368, 376, n. 12 (1949)."

See also *Lavin* v. *Lavin* (C.A. 2, 1950), 182 F. (2d) 870, 873, where the Court said:

"• • • The House report incorporated the Reviser's notes, and thus made them a valid source for interpretation, in addition to their inherent authority. • • •"

In this regard, reviser Barron, in an article entitled *The Judicial Code*, 8 F.R.D. 439, 445, states further:

"The usual rules of statutory construction, with one exception, apply to a statutory revision. That exception is important and its reasons should be readily recognized.

"Because of the necessity of consolidating, simplifying and clarifying numerous component statutory enactments no changes of law or policy will be presumed from changes of language in revision unless an intent to make such changes is clearly expressed. Mere changes of phraseology indicate no intent to work a change of meaning but merely an effort to state in clear and simpler terms the original meaning of the statute revised.

"Congress recognized this rule by including in its reports the complete Reviser's Notes to each section *in which are noted all instances where change is intended* and the reasons therefor.

"The rule is well settled. • • •" (Emphasis added.)

This is the rule of *United States* v. *Ryder* (1884), 110 U. S. 729, 740, where the Court said:

"• • • It will not be inferred that the legislature, in revising and consolidating the laws, in-

tended to change their policy, unless such intention be clearly expressed."

See also *McDonald* v. *Hovey* (1884), 110 U. S. 619, 629; *Panama Railroad Company* v. *Johnson* (1924), 264 U. S. 375, 384.

Since under this rule the purpose of the revision was not to change the law as it had theretofore existed, resort to the Reviser's Notes is not only proper but necessary before reaching any interpretation of the revised Code which would effect a change in the law as it existed theretofore.

E. The Legislative History of Sections 1391(c) and 1400(b), Including the Law as it Existed Prior to the Revision, the Origin of and Language Used in Each Section, the Reviser's Notes and Committee Hearings and Reports, Require the Conclusion that Congress Did Not Intend to Change Venue for Patent Cases.

There is no doubting that the application of Section 1391(c) to Section 1400(b) would work a material change in law controlling venue in patent cases as it existed prior to the revision (See, *supra*, p. 20). That fact, considered in the light of the language used in these two sections, particularly that used in Section 1400(b), the reviser's notes and the Committee Reports and Hearings, makes it clear beyond question that Congress did not intend Section 1391(c) to apply to patent cases controlled by Section 1400(b).

(1) The Origin of and the Language Used in Section 1400(b).

Title 28 United States Code, Section 1400(b) was taken directly from Section 48 of the Judicial Code of 1911 (Title 28 United States Code, Section 109, 1940 Edition) with

only slight changes in phraseology. (See Reviser's Notes following Section 1400(b).) As the Court of Appeals for the Third Circuit said in *Ackerman* v. *Hook, supra,* (183 F. (2d) at p. 13):

> "Section 1400(b) stems directly from its forerunner, Section 109, United States Code, 1940 Edition, Section 48 of the Judicial Code of 1911. The Reviser's Notes leave no doubt as to this. It is there stated that 1400(b) 'is based on Section 109 of title 28, U. S. C., 1940 ed.' • • • The Notes point out that 1400(b) differs from Section 109 only in the following minor instances: (1) 'Words "civil action" were substituted for "suit," and words "in law or in equity," after "shall have jurisdiction" were deleted, in view of rule 2 of the Federal Rules of Civil Procedure'; (2) 'Words in subsection (b) "where the defendant resides" were substituted for "of which the defendant is an inhabitant" '; (3) 'Words "whether a person, partnership, or corporation" before "has committed" were omitted as surplusage. • • •'
>
> "• • • The Reviser's Notes make it evident that today, 1400(b) stands in the same situation as did Section 109 at the time of the Stonite opinion in 1942 • • •."

The language used in Section 1400(b) contains no suggestion of Congressional intent to effect a change in substance in the law so as to permit a patent suit against a corporate defendant in any district in which such a defendant is doing business or is licensed to do business. Such intent is not to be inferred from the substitution of the words "district in which defendant resides" in the revision for the words "the district of which defendant is an inhabitant" in the predecessor section. Had that been the intent of Congress, it is inconceivable that the revision would have adopted as it did, and substantially without

change, the provisions of Section 48 of the Code of 1911 for alternative venue in the district in which the defendant has committed acts of infringement and has a regular and established place of business. This alternative ground for venue clearly was intended to apply to corporate, as well as to individual and partnership defendants. The language used is, to say the least, most inapt to express any contrary intent by Congress. *Bowers* v. *Atlantic, G. & P. Co.* (C.C. S.D. N.Y., 1900), 104 Fed. 887, 892.

This was not hasty, ill-considered legislation. It occupied five years of Congressional effort (Cf. *Ex Parte Collett, supra,* 337 U. S. at p. 65) and, in the circumstances, the emasculation of Section 1400(b) as applied to corporate defendants which follows if petitioners' contentions are accepted (*supra* p. 18) would scarcely have escaped attention. No such incongruous result could have been intended.

(2) *The Origin of and Language Used in Section 1391(c).*

There is nothing in the language used in Section 1391 which suggests that Congress intended that the provisions of subsection (c) should have application to patent cases controlled by Section 1400(b). On the contrary, the fact that the provisions upon which petitioners rely appear as a subsection of the general venue statute is itself indicative of a contrary intent. *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Section 1391 merely revises Sections 50 and 51 of the Judicial Code of 1911 (Sections 111 and 112 of Title 28 United States Code, 1940 Edition). These are general venue provisions relating to ordinary actions (*Ex Parte Collett, supra,* 337 U. S. at p. 59) for which special venue requirements were not provided. Section 51 of the 1911 Judicial Code (Section 112 of Title 28 United States Code,

1940 Edition) controlled the venue in diversity of citizenship cases and other actions for which special venue was not provided by law. Section 50 related to suits against several defendants, one or more of which was neither an inhabitant nor "found" in the district of the suit. These sections were consolidated by the revision of the Code into Section 1391. The Reviser's Notes (following Section 1391) make it clear that subsection (c) was intended merely to eliminate the ambiguity which had resulted from the use of the word "found" in old Section 50. These notes state:

> "In subsection (c), references to defendants 'found' within a district or voluntarily appearing were omitted. The use of the word 'found' made said Section 111 ambiguous. The argument that an action could be brought in the district where one defendant resided and a nonresident defendant was 'found' was rejected in Camp *v.* Gress, 1919, 39 S. Ct. 478, 250 U. S. 308, 63 L. Ed. 997. However, this ambiguity will be obviated in the future by the omission of such reference."

Neither of Sections 50 or 51 of the 1911 Judicial Code had any application to patent cases. Both were "general venue provisions" and, as such, inapplicable to patent cases which were controlled exclusively by Section 48 of the 1911 Code. *Stonite Co.* v. *Melvin Lloyd Co., supra.* The same reasoning which precluded the use of old Section 52 to supplement old Section 48, should likewise preclude the use of Section 1391(c) to supplement Section 1400(b).

(3) *The Reviser's Notes and Committee Hearings and Reports.*

All that was said with respect to the legislative history of Section 48 of the 1911 Judicial Code in support of the holding by the Court in the *Stonite* case applies with

equal force in the present case to Section 1400(b) of the revised Code. In addition, in the instant case, the Reviser's Notes, which are "so obviously authoritative in perceiving the meaning of the Code" (*United States* v. *Nat. City Lines, supra*), permit of no conclusion other than that Congress did not intend to change venue in patent cases by having Section 1391(c) apply to Section 1400(b). That Congress intended the revised Code to be interpreted in the light of these Reviser's Notes cannot now be disputed (*supra*, pp. 31-33).

The Reviser's Notes (following Section 1391), to the extent that they are pertinent to Section 1391, are as follows:

> "Section consolidates said section 111 with part of said section 112.
>
> • • •
>
> "Word 'reside' was substituted for 'whereof he is an inhabitant' for clarity inasmuch as 'inhabitant' and 'resident' are synonymous. (See Ex parte Shaw, 1892, 12 S. Ct. 935, 145 U. S. 444, 36 L. Ed. 768; Standard Stoker Co., Inc. *v.* Lower, D. C., 1931, 46 F. 2d 678; Edgewater Realty Co. *v.* Tennessee Coal, Iron & Railroad Co., D. C. 1943, 49 F. Supp. 807.
>
> • • •
>
> "In subsection (c), references to defendants 'found' within a district or voluntarily appearing were omitted. The use of the word 'found' made said section 111 ambiguous. The argument that an action could be brought in the district where one defendant resided and a nonresident defendant was 'found', was rejected in Camp *v.* Gress, 1919, 39 S. Ct. 478, 250 U. S. 308, 63 L. Ed. 997. However, this ambiguity will be obviated in the future by the omission of such reference."

The above notes, particularly the statements referring to subsection (c) of Section 1391, make it abundantly clear that subsection (c) was intended to clarify and codify old Sections 111 and 112 (Sections 50 and 51 of the Judicial Code of 1911) as theretofore interpreted by the courts. So far as concerns Section 1400(b), subsection (c) of Section 1391 stands in the same position as its companion subsections (a) and (b). None is intended to apply to Section 1400(b) in any way.

The Reviser's Notes appended to Section 1400(b) are equally enlightening. They read, to the extent pertinent, as follows:

> "Section consolidates said section 111 of Title 17, with part of said section 109 of Title 28 with necessary changes in phraseology.
>
> "Subsection (b) is based on said Section 109 of Title 28, with the following changes:
>
> • • •
>
> "Words in subsection (b) 'where the defendant resides' were substituted for 'of which the defendant is an inhabitant.' A corresponding change was made in subsection (a). Words 'inhabitant' and 'resident', as respects venue, are synonymous. (See reviser's note under section 1391 of this title.)
>
> "Words 'whether a person, partnership, or corporation' before 'has committed' were omitted as surplusage."

The Reviser's Notes following the two sections in issue here belie completely petitioners' argument. Neither makes any suggestion of an intent to effect a change in the law controlling venue in patent actions. Petitioner's whole argument is based on the premise that the revisers' use in Section 1400(b) of the words "where the defendant resides" in place of the words "of

which defendant is an inhabitant", found in Section 48 of the 1911 Judicial Code (Section 109, Title 28 U. S. C. 1940 ed.), was indicative of a change in the law controlling venue in patent cases (Petitioners' Brief, p. 19). The argument, like the premise upon which it is based, is without any substance.

The Reviser's Notes state that, in Section 1391, the word "resides" was substituted for "whereof he is an inhabitant" for *clarity*. The notes go on to point out that the substitution for *clarity* was made because "inhabitant" and "resident" are synonymous. Controlling cases are cited as authorities.

The Reviser's Notes following Section 1400(b) are equally explicit. There it is stated: "Words 'inhabitant' and 'resident', as respects venue, are synonymous."

The statement (Petitioners' Brief, p. 19) that the word "inhabitant" had been "interpreted uniformly to mean only the state of incorporation where a corporation was involved" suggests by inference that the word "resident" had a broader meaning. That is not true (*Shaw* v. *Quincy Mining Company, supra*) but it is illustrative of the extent to which petitioners must go to support their contentions. The fact is that since the revisers used "resident" as synonymous with "inhabitant" the conclusion is inescapable that "resides" as used in Section 1400(b) must be given the same construction as had been given the word "inhabitant" in the predecessor statute, namely, only the state of incorporation where a corporation is involved. Stated in other words, it appears that the revisers acted advisedly in substituting the word "resident" in the revision for the word "inhabitant" in the predecessor statute to assure that no change in the law would result.

The complete absence of any note by the revisers compatible with petitioners' contentions is convincing evidence that neither the revisers nor Congress intended to have subsection (c) of Section 1391 apply to corporate defendants in patent cases and thus change the law as to venue in such cases. In this regard, the 1948 revision of the Judicial Code is unique. The statements of the chief reviser, Mr. Barron, in the monograph in 8 F. R. D. at p. 445 (*supra*, p. 32), as well as the reports and statements of the Representatives and Senators charged with the responsibility for the revision all are explicit on one point—that "any changes that were effected" by the revisions would be clearly noted in the Reviser's Notes.

Representative Robsion was Chairman of Subcommittee No. 1 of the House Judiciary Committee, which was responsible for the revision of the Judicial Code. Senator Wiley was Chairman of the corresponding Senate Committee. Various advisory committees assisted in the actual revision which was under the immediate charge of Mr. Barron.

At a hearing on March 7, 1947 before Subcommittee No. 1 of the House Judiciary Committee on H.R. 1600 and H.R. 2055, Mr. Barron said that the effort of the revisers was to produce a revised Code which would

> "• • • clarify ambiguities, *eliminate overlapping and conflicting provisions* of law and simplify existing law • • •." (emphasis added.) See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1964.

At the same hearing Representative Keogh, a member of the Subcommittee, stated in this regard:

> "The procedure that then was adopted was that the revisers in cooperation with the members of the

> staff of the committee on revision of the laws undertook the preparation of what we called preliminary drafts, which were careful statements of the proposed title, with complete revisers' notes under each section clearly pointing out the source of the section, any changes that were effected, the reasons for the change, and any other explanatory notes that the reviser felt would be helpful." See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1947.

The remarks of Mr. Zinn, Revision Counsel, Committee on the Judiciary, at the same hearing are likewise in point. See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1981.

With respect to the sections here involved, only one member of the Advisory Committee spoke before Subcommittee No. 1 on the question of venue at the March 1947 hearings. Mr. Moore, a paid consultant, stated on this issue that:

> "Venue provisions have not been altered by the revision. Two changes of importance have, however, been made. * * *" See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1969.

Moore then referred to Sections 1404 and 1406—which provide, respectively, for change of venue properly laid, and dismissal or transfer of actions where venue is improper—neither of which existed in the prior law.

In reporting the bill to the House of Representatives, House Report No. 308, to accompany H.R. 3214, 80th Congress, First Session, April 25, 1947, Mr. Robsion said:

> "So also, minor changes were made in the provisions regulating the venue of district courts in

order to clarify ambiguities or to reconcile conflicts. These are reflected in the reviser's notes under sections 1391-1406.

• • •

"The reviser's notes are keyed to sections of the revision and explain in detail every change made in text. References to court decisions are supplied wherever necessary or appropriate." See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) pp. 1697, 1699.

And Senator Wiley, Chairman of the Senate Judiciary Committee, in reporting the bill to the Senate, Senate Report No. 1559, to accompany H.R. 3214, 80th Congress, Second Session, June 9, 1947, stated in part:

"• • • Appended to the report are the revisers' notes to each section, together with accompanying tables. These explain in great detail the source of the law and the changes made in the course of the codification and revision." See United States Code, Congressional Service, 80th Congress, Second Session (West Publishing Co. & Edward Thompson Co.) p. 1676.

These statements and reports indicate the reason why the House report incorporated the Reviser's Notes and made them a valid source for interpretation of the revised Code (*Lavin* v. *Lavin, supra*). Along with the Reviser's Notes appended to the sections of the statute here involved, they indicate clearly that Congress did not intend to change the special venue provisions for patent cases as petitioners contend.

F. The Special Provisions of Section 1400(b) Must Control over the General Provisions of Section 1391(c).

The rule for statutory interpretation applicable here was aptly stated by Mr. Barron (the Chief Reviser of the Judicial Code) and his co-author, Judge Holtzoff, in "Federal Practice and Procedure" (at p. 135, Volume 1) as follows:

> "• • • A special venue statute, i.e., one expressly covering venue of a particular kind of action, will control over a general venue statute • • •."

This is an old and familiar rule. It is well stated in *MacEvoy Co.* v. *United States* (1944), 322 U. S. 102, 107 as follows:

> "• • • However inclusive may be the general language of a statute, it 'will not be held to apply to a matter specifically dealt with in another part of the same enactment. . . . Specific terms prevail over the general in the same or another statute which otherwise might be controlling.' Ginsberg & Sons *v.* Popkin, 285 U. S. 204, 208."

See also 25 Ruling Case Law, p. 1010; 59 Corpus Juris, sec. 623 1056; 50 Am. Jur. sec. 367; *Atkins* v. *The Disintegrating Company* (1873), 18 Wall. 272; *Ginsberg & Sons* v. *Popkin* (1931), 285 U. S. 204, 208.

Section 1391(c) is a general venue statute like its companion subsections (a) and (b) and Sections 1392 and 1393. It has no more application to the special venue provisions of Section 1400(b) controlling patent cases than do Sections 1392 or 1393 or the predecessor general venue provisions of these sections in the 1911 Judicial Code.

G. The Venue Ruling of Judge Harrison in the *Gulf et al. v. Schlumberger* case should be sustained.

In the *Gulf et al.* v. *Schlumberger* case, Judge Harrison held that the considerations discussed in the foregoing sections of this brief required the conclusion that Congress did not intend to change venue for patent actions by the 1948 revision of the Judicial Code. The same question was decided in the same way by Judge Tamm in *Natchman* v. *Jones & Laughlin Steel Corporation* (D.C. D. of C., 1950), 90 F. Supp. 739, prior to Judge Harrison's ruling, and by Judge Igoe in *Aetna Ball & Roller Bearing Co.* v. *The Federal Bearing Company, Inc.* (D.C. N.D. Ill., E.D., 1950), unreported, and the Court of Appeals for the Seventh Circuit in *C-O-Two Fire Equipment Co.* v. *Barnes, supra* (now before this Court on writ of certiorari), following Judge Harrison's ruling.

Petitioners' contentions here find support in the decisions in *Farr Co.* v *Gratiot* (D.C. S.D. Cal., C.D., 1950), 92 F. Supp. 320, *Radio Corporation of America* v. *Paramount Pictures, Inc. et al.* (D.C. S.D. Cal., C.D., 1950), unreported,[6] and *Dalton* v. *Shakespeare Co.* (C.A. 5, 1952) *supra.*

The decisions in the *Farr* and *Dalton* cases, like petitioners' contentions, depend for their substance on the assertion that the language used in Section 1391(c) is unambiguous and is broad enough to encompass patent cases, hence, the Court may not look to the explanatory legislative history of that section and Section 1400(b) to determine the real intent of Congress as to the application of the former to the latter.

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6. The unreported cases, *Aetna Ball & Roller Bearing Co.* v. *The Federal Bearing Company, Inc., supra,* supporting Judge Harrison, and *Radio Corporation of America* v. *Paramount Pictures, Inc., et al., supra,* supporting petitioners, are without opinion and are of little help one way or the other in determining the issues involved here.

These decisions and contentions have no more substance than the technicality upon which they are based. The asserted rule for statutory interpretation, to the extent that it exists at all, has no application to the present issue. The issue here does not turn on the ambiguity or lack of ambiguity of the language used in Section 1391(c) but on the intent of Congress as to the application of that section to Section 1400(b). It does not follow from the fact that the language used in the general provisions of Section 1391(c) lacks ambiguity and is broad enough to include cases covered by the special provisions of Section 1400(b) that Congress intended the special provisions to be modified by the general provisions. Had that been the rule, this Court could not have decided the *Stonite* case as it did. In this regard, the Court's function is to give effect to the intent of Congress. If by giving effect to broad language used in one section the result is to emasculate the provisions of another section, or to reach a result that is at variance with the real purpose and policy of the legislation as a whole, the Court not only may, but should look to every aid available to it in ascertaining whether Congress intended such an incongruous result. In the instant case, petitioners' contentions and the decisions in the *Farr* and *Dalton* cases result in the complete emasculation of the second alternative of Section 1400(b) as applied to corporations. That is itself sufficient to require the Court to look to the legislative history for an indication of the intent of Congress on the question in issue. That history shows clearly a contrary intent. In these circumstances, both petitioners' contentions and the *Farr* and *Dalton* cases upon which they rely should be rejected.

The other cases and authorities cited by petitioners (Petitioners' Brief, pp. 22-25) are not controlling here. Moore's article, relied upon by petitioners, must be viewed

with misgiving. It is aptly characterized by Judge Harrison in these words (92 F. Supp. at p. 18):

> "Plaintiffs rely heavily upon Moore's Commentary on U. S. Judicial Code, particularly pages 184 and 185, and Moore's Federal Practice, Vol. III, pp. 2139, 2140, wherein the author considers the case of Stonite Products *v.* Lloyd, supra, overruled by the gearing of residence under Section 1391(c) to Section 1400(b).
>
> "Yet the author as a paid consultant in testifying before Subcommittee No. 1 stated that: 'Venue provisions have not been altered by the revision.' He then proceeds to point out certain changes applying to patent infringement cases. U. S. Code Congressional Service (1948) p. 1969, Title 28 Pamphlet.
>
> "To say the least the two statements are inconsistent. Prof. Moore in a letter explaining the inconsistencies states in part, 'In brief, my House statement was prepared on short notice and under pressure; my published writings are prepared after careful and extensive deliberation.'
>
> "But the real question is: Did Congress intend to change the venue provisions in patent infringement cases where the defendant is a corporation? Professor Moore's statement before the Committee tended to establish that the revised section caused no change in existing law. The Committee relied and acted upon his testimony along with the testimony given by others. The hearings before the Committee clearly indicate that no change in venue statutes was contemplated by Congress except such changes as were expressly set forth in the Reviser's Notes."

The excerpt from *Federal Practice and Procedure* (1950) by Barron and Holtzoff, quoted by petitioners (Petitioners' Brief, pp. 29-30), does not support the

assertion that these writers agree with petitioners that the new Judicial Code changed the venue requirements for patent cases. It merely indicates that Section 1391 (c) was an outgrowth of the decision of the Supreme Court in *Neirbo Co.* v. *Bethlehem Corp.* (1939), 308 U. S. 165, which was limited to diversity cases such as those now coming within Section 1391(a). In this regard, see *Carlisle* v. *Kelly Pile & Foundation Corporation* (C.A. 3, 1949), 175 F. (2d) 414, 416, where the Court said:

> "• • • the views of the Supreme Court expressed in its decisions were crystalized in Section 1391(c) of Title 28, U. S. Code Annotated. • • • The language of the subsection is new but its essence is of the Schollenberger, Neirbo and Gulf Oil rulings."

Moreover, petitioners' quotation from Barron and Holtzoff must be read in the light of the earlier admonition (*Federal Practice and Procedure,* p. 135) that

> "• • • A special venue statute, i. e., one expressly covering venue of a particular kind of action, will control over a general venue statute • • •."

It must also be read in the light of the fact that Barron and Holtzoff in discussing the venue provisions for patent infringement actions in Section 83 of their work (at p. 159) make no suggestion of any kind as to any enlargements of the venue requirements as set forth in Section 1400(b) by the application thereto of the provisions of Section 1391(c).

Bagner v. *Blidberg Rothchild Co.* (D.C. E.D. Pa., 1949), 84 F. Supp. 973, *Bounds* v. *Streckfus Steamers* (D.C.D. Del., 1950), 89 F. Supp. 242, *Mincy* v. *Detroit & Cleveland Navigation Co.* (D.C. S.D. N.Y., 1950), 94 F. Supp. 456, and *Phillips* v. *Pope & Talbot, Inc.* (D.C. S.D. N.Y., 1952),

102 F. Supp. 51, all involved actions under the Jones Act, Title 46 United States Code, Section 688 (Act of June 5, 1920 c. 250 §33, 41 Stat. 1007). The *Bounds, Mincy* and *Phillips* cases merely followed the *Bagner* case and in the *Bagner* case the Court held, in effect, that the interpretation of Section 51 of the Judicial Code of 1911 (Section 112 of Title 28 U.S.C., 1940 ed.) controlled the interpretation of the venue provisions of the Jones Act prior to the revision of the Code; and that when old Section 51 was modified by the revision of the Code, that in turn changed the interpretation of the Jones Act. No such argument can be advanced here in the face of the decision of this Court in *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Lipp v. *National Screen Service Corp., supra,* holds that Title 28 United States Code, Section 1391(c) supplemented Section 12 of the Clayton Act, Title 15 United States Code, Section 22, so as to make proper an anti-trust action against a foreign corporation which is not doing business in the district but which is licensed to do business there. In so holding, the Court stated (95 F. Supp. at p. 69) that anti-trust plaintiffs

> "• • • are not deprived of the benefits of these general venue provisions. • • • The venue provisions of the anti-trust laws were enacted to give anti-trust plaintiffs special venue privileges in addition to those granted by general venue statutes."

This reasoning does not apply to the case at bar. *Stonite Co.* v. *Melvin Lloyd Co., supra.*

CONCLUSION

In conclusion, respondents submit that petitioners' motion in the Delaware District Court to retransfer the *Gulf et al.* v. *Schlumberger* case back to the California District Court was properly denied and that the Court of Appeals for the Third Circuit properly held that this was not a proper case for the issuance of a writ of mandamus. Respondent Schlumberger Well Surveying Corporation also submits that no error obtains in the ruling on the venue issue in the *Gulf et al.* v. *Schlumberger* case by Judge Harrison in the District Court for the Southern District of California, Central Division.

Respectfully submitted,

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APPENDIX A

Title 28 United States Code

Section 1391. **Venue generally**

(a) A civil action wherein jurisdiction is founded only on diversity of citizenship may, except as otherwise provided by law, be brought only in the judicial district where all plaintiffs or all defendants reside.

(b) A civil action wherein jurisdiction is not founded solely on diversity of citizenship may be brought only in the judicial district where all defendants reside, except as otherwise provided by law.

(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

(d) An alien may be sued in any district.

• • •

Section 1400. **Patents and copyrights**

• • •

(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.

• • •

Section 1406. **Cure or waiver of defects**

(a) The district court of a district in which is filed a case laying venue in the wrong division or district shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought.

• • •

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